

HB

67

STATE OF ALASKA  
HOUSE OF REPRESENTATIVES

# Representative Jim Holm



119 N. Cushman  
Fairbanks, AK 99701  
TEL 456-7423, FAX 451-9293

House District 9

State Capitol  
Juneau, AK 99801  
TEL 465-3466, FAX 465-2937

## Sponsor Statement House Bill 67

*"An Act relating to construction of highways by the Department of Transportation and Public Facilities."*

Alaska statute requires that construction and maintenance contracts be awarded to the private sector on the basis of competitive bid.

However, statute also allows the state to fund small projects or repairs in-house through a "force account," meaning the state uses its own forces to accomplish the work.

To date, force account spending by DOT-PF has been frequently used to fund projects costing considerably more than \$250,000. Not only has this taken these dollars out of the private sector, it also omits the check and balance oversight and transparency of the competitive bid process.

House Bill 67 was introduced to insure that state force accounts are still allowed for smaller jobs while requiring that projects over \$250,000 utilize private contractors in the competitive bid process. Private contractors not only maintain an inventory of specialized equipment and employ skilled managers, but they assume risk-costs, thus providing the state with considerable savings.

Revised 2/19/3

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: HB 67  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 2/18/03 Dept. Affected: DOT&PF  
Title: Construction of Highways by DOT&PF BRU: Construction and CIP Support  
Component: All Regional Components  
Sponsor: Holm  
Requester: H TRA Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

If approved, HB 67 would prohibit the department from using state forces to construct (Force Account Construction or FAC) highway projects if the value of the project was greater than \$250,000. The majority of projects that are considered for force account construction are federally funded. Federal provisions require that prior to approval of a force account project, the state must determine that this method will result in cost savings.

Since it is not possible to determine which projects will be considered for FAC over the next six years, we will base the projected savings on Calendar Year 2002. The estimated savings on 2002 force account projects (greater than \$250,000) was \$4,267,700. Assuming the amount of force account projects remains constant over the next six years, the lost savings would total \$25,606,200

Prepared by: Dennis R. Poshard Phone 465-3904  
Division: Special Assistant to Commissioner Date/Time 2/19/03 9:45 AM  
Approved by: Acting Commissioner Mike Barton Date 2/19/2003  
Agency: Alaska Department of Transportation and Public Facilities



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February 18, 2003

Representative Holm, Co-Chair  
Representative Masek, Co-Chair  
Transportation Committee  
State Capitol, Room 101  
Juneau, AK 99801

Re: HB 67

Dear Representatives,

The AML Public Works and Infrastructure Subcommittee reviewed HB 67 and recommends against its adoption.

This summer a number of public and private organizations worked on a compromise that took into consideration all of the aspects of this complex issue. The result is Administrative Order 199. I believe that all of the public and private groups involved in the discussions support working with new procedures.

Sincerely

Kevin Ritchie  
Executive Director



## Position Paper on Force Account Construction

ABC Alaska believes in a system of free enterprise and open competition. This premise is generally embraced by the State of Alaska as evidenced by the language existing in Alaska Statutes AS 19.10.170 and AS 35.15.010 which state it is the general policy of the state to require construction under bid contract in accordance with the state procurement code. Additionally, Alaska Statutes require: *"A contractor or subcontractor who performs work on public construction in the state, as defined by AS 36.95.010, shall pay not less than the current prevailing rate of wages for work of a similar nature in the region in which the work is done."*

The intent of the Legislature is clear: public works ought regularly to be constructed in compliance with state procurement code and shall be regulated by "Little Davis Bacon" laws establishing prevailing wage rates. Force Account Construction by the state subverts this intent, bypassing the competitive bid process inherent in the state procurement code and hiring its own forces to complete construction work at sub-standard wages.

The two compelling arguments for Force Account Construction are cost savings and local hire. The cost savings are claimed by reduced labor costs and by the fact that the state does not have to make a profit. The payment of lower than prevailing wage has been used as the justification for avoiding federal procurement law by citing reduced project costs. In effect, the state is paying sub-standard construction wages on government work, eliminating opportunities for private sector employers who would be required to conform to federal Davis-Bacon or Little Davis Bacon regulations on that same work. In short, this practice places the state in direct competition with private sector employers, a practice in direct conflict with privatization goals that have been expressed by the legislature over the past several years.

It may be argued that the published prevailing wage does not reflect local conditions. If this is the case, there is a mechanism in place to address the variation. 8 AAC 30.050 states *"A region may be subdivided into zones if the commissioner determines that the prevailing wage rate has local variations within the region..."* and *"Special prevailing wage rate determinations may be requested for special projects or special worker classifications, if the work to be performed does not conform to traditional public construction for which a prevailing wage rate has been established under (a) of this section."* This would be in keeping with the intent of the Legislature and also protect the rights of the workers.

The contention that the state does not have to make a profit and therefore can operate at a lower cost is also misleading. While the state may not include a risk factor in its estimate, risk is still there. Delays and cost overruns will be borne solely by the state. Under bid contract, these risks and costs are borne by the contractor. The state will have no incentive for cost control and innovation as is routine in the competitive bid process. The notion that the State can compete with private industry on a level playing field is highly questionable and again flies directly in the face of the state privatization goal!

The local hire issue is also compelling and should not be ignored. Again, local residents are best served by a level playing field. Providing an accurate prevailing wage and including "helpers" in the job classifications will allow local residents the best opportunity to compete in the marketplace.

Senate Bill No. 40 and House Bill No. 67 will help limit the State's ability to engage in force account construction. The same language should be added to AS 44.33.300 and we, as a community, should then focus our efforts on improving the implementation of existing prevailing wage regulations to provide opportunities for local hire in a free and open competitive bidding environment.

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

## St. Mary's Airport Road Rehabilitation Final Completion Summary Report

During the summers of 2001 and 2002, work was conducted to rehabilitate the St. Mary's Airport Road. The job consisted of rehabilitating approximately 8.1 kilometers of access road from the St. Mary's Airport to the post office in the City of St. Mary's. The existing road was reconstructed to provide a two-lane road 7.2 meters from shoulder to shoulder. A surface course was placed on the road to finish the project. Alaska Department of Transportation and Public Facilities' (ADOT) employees were used in completing the project by Force Account. Total cost of the project was \$2,470,000.

Work during the summer of 2001 included clearing, excavating and removing inappropriate material, placing pipe, and the placing of base and sub-base courses. Work extended from May 1 through the end of September and was conducted by local residents of St. Mary's, who were hired as temporary state employees.

To complete the work in 2001, 17 local residents were hired. Over the summer they worked a total of 9,618 hours, of which 2,847 hours were overtime. Total payroll for these employees was \$259,067. Training was provided for 13 of these employees through the Alaska Vocational Technical Center for obtaining Commercial Drivers Licenses. All of these obtained their CDL's through this process. Jobs by these employees included operating CAT Loaders, CAT Dozers, Dump Trucks and Rock Trucks. DOT foreman duties, administration and materials testing costs during this time period accounted for \$232,200.

Through a Memorandum of Understanding between the City of St. Mary's and the ADOT, St. Mary's provided equipment, mechanic/oiler services and fuel for the project. Through this memorandum, the City of St. Mary's was paid \$449,600 for equipment, \$103,630 for fuel and \$40,820 for mechanic/oiler services. Equipment used through the Memorandum of Understanding was new to the community and was retained by them after the project was finished. In addition, the City of St. Mary's received \$415,000 for aggregate that was taken from the city aggregate source.

Work during the summer of 2002 consisted of clearing, embankment construction and stabilization, grade raises, placing surface course and calcium chloride, installing delineators and reconditioning the borrow pits. The Maintenance and Operations Department of ADOT managed this phase of the project, due to their expertise in doing high float surfacing. However, it turned out that acceptable aggregate for conducting high float operations could not be produced on site and was too expensive to barge in to the project. Instead, surface material available was placed and conditioned in place, with calcium chloride applied as a binder/dust suppressant.

From May 31, 2002 through January 15, 2003, seven local residents were hired under M & O's management. Over the summer they worked a total of 1,027.50 hours of regular time, 545 hours of overtime and 200 hours of double time for a total of 1,772.5 hours. With M & O overhead and foreman personnel included, the total payroll for these

employees was \$100,331.45. Construction personnel charged an additional \$11,861.91 to the project over the same time period.

During the summer of 2002, the City of St. Mary's provided the following fuel, equipment, mechanic and oiler services and aggregate. Fuel charges from the City of St. Mary's totaled \$13,817.22. Equipment charges from the City of St. Mary's totaled \$84,427.85. Oiler and mechanic services that were provided totaled \$7,000.00. Aggregate purchases totaled \$309,307.25 including a \$500 gravel road access fee.

# DOT&PF FORCE ACCOUNT REPORT

By Calendar Year - Dollar Amounts are in Thousands

**Labor** = The "Labor" column includes State owned equipment charges. And, where applicable, it includes small contracts let to entities that supplemented State Force Account work.

**Other** = Material, rental equipment, etc. costs are shown in the "Other" column. Where only an estimated overall cost was available, the cost was placed solely in the "Labor" column. This results in an inflated estimate of the Labor costs associated with Force Account projects.

## 1998

Number	Name	M&O	Local Agency	Village Safe Water	Labor \$	Other \$
001	NR NHS Road Pave & Bridge Refurb	X			1,764.0	1,386.0
002	CE NHS Crack Sealing & Bridge Repair	X			670.0	249.3
003	KTN-Cent Bus Dist Sidewalk Imp.		X		134.5	70.3
004	NR Surface Maintenance & Bridge Rehab.	X			1,064.0	
005	Selawik Boardwalk Improvements		X		75.0	310.0
006	Rural Ak. Sanitation Rds.-Chignik Lagoon			X	350.0	450.0
007	SE Gold Rush Centennial Enhancements	X			20.2	7.0
008	SE NHS/Non Pave & Bridge Refurb.	X			500.0	
009	Kongiginak Sanitation Boardwalk			X	250.0	450.0
010	SE Jnu-Hazard Elimination	X			48.7	
011	KTN-Waterfront Promenade		X		82.2	17.5
<b>Totals</b>					<b>\$ 4,958.6</b>	<b>\$ 2,940.1</b>

Total dollars committed to surface transportation funding for 1998 was \$ 406.3 million.

1998 FA work performed = 1.94 % of the total surface transportation program

**\$ 7,898.7**

## 1999

001	NR FFY 99 NHS Prev. Maint. & Repairs	X			2,000.0	1,850.0
002	CE Bridge Maint/Repair FY 99	X			284.3	74.8
003	NR FFY 99 Non-NHS Maint. & Repairs	X			836.0	1,064.0
004	CE Crack Seal Program FY 99	X			643.4	224.3
005	SE NHS Pavement Rehab.	X			147.0	653.0
006	CE Asphalt Pave. Surface Refurb. FY 99	X			383.9	399.6
007	Force Account (AMHS) Wireless Com.	X			33.4	135.6
008	SE Non-NHS Pave. Rehab. FY 99	X			600.0	
009	NR Dalton Hwy. Erosion Control	X			15.3	102.7
010	NR Surface Treatment. Brenwick/Craig	X			73.6	129.4
011	CE FY 99, Non-NHS Fed. Crack Seal Pro.	X			200.4	69.3
<b>Totals</b>					<b>\$ 5,217.3</b>	<b>\$ 4,702.7</b>

Total dollars committed to surface transportation funding for 1999 was \$ 524.0 million.

1999 FA work performed = 1.89 % of the total surface transportation program

**\$ 9,920.0**

## 2000

001	NR FFY 00 NHS M&O Prev. Maint.	X			2,215.6	1,604.4
002	NR FFY 00 CTP M&O Prev. Maint.	X			1,725.5	1,249.5
003	CE: FY 00 Central Region Crack Seal Crew	X			704.3	189.4
004	SE Non-NHS Pavement Rehab. (FFY00)	X			256.7	576.1
005	SE Road Surface Treatment (FFY00)	X			253.6	552.4
006	CE: Interstate Maint. & Bridge Repair FY00	X			260.4	139.3
007	Proj. #66740, Russian Mission AWOS Pad		X		47.2	
008	Proj. #66740, Russian Mission Airport Clearing		X		122.0	
009	CE: Bridge Maint./Repair Non-NHS FY 00	X			278.0	121.5
010	CE: Cascade Shop Reconstruction	X			82.0	230.0
011	SE Haines-Lutak Rd. Storm Drain	X			207.0	
012	Chefornak Sanitation Boardwalk			X	262.2	1,117.8
013	CE: FY00 Non-NHS Fed. Crack Seal Pro.	X			580.6	227.8
014	SE Haines-Chilkat Lake Rd.	X			310.0	190.0
015	SE Skagway-Taiva River Erosion Control	X			90.0	
016	Married Man's Trail Lighting		X		40.6	22.1
017	St. Mary's Airport Rd. Rehab.	X			1,205.6	1,793.9
018	SE Wrangell Airport Control Reg. Shelter	X			11.9	
019	Nunapitchuk Sanitation Boardwalk			X	399.0	1,701.0
<b>Totals</b>					<b>\$ 9,052.2</b>	<b>\$ 9,715.2</b>

Total dollars committed to surface transportation funding for 2000 was \$ 463.8 million.

2000 FA work performed = 4.05 % of the total surface transportation program

**\$ 18,767.4**

### 2001

001	NR FFY 01 M&O Preventive Maintenance	X			7,150.0	
002	CE: FY 01 Non-NHS Fed. Crack Sealing Prog.	X			339.4	86.5
003	NR FFY 01 CTP Pavement Markings	X			7.3	43.3
004	South Naknek Airport Repairs		X	-	30.0	15.0
005	CE: Bridge Maint./Repair NHS FY 01	X			325.5	35.6
006	Kwigillingok Sanitation Road		X		764.2	2,235.8
007	Cordova Sidewalks Asbestos Removal	X			14.2	2.7
008	CE: Bridge Maint./Repair Non-NHS FY 01	X			373.6	74.0
009	CE: FY 02 NHS Crackseal IPM	X			701.1	210.6
010	CE: FY 02 Non-NHS Crackseal Program	X			670.6	185.6
<b>Totals</b>					<b>\$ 10,375.9</b>	<b>\$ 2,889.1</b>

Total dollars committed to surface transportation funding for 2001 was \$ 429.0 million.

2001 FA work performed = 3.09 % of the total surface transportation program

**\$ 13,265.0**

### 2002

001	NR FFY 02 M&O Preventative Maintenance	X			8,860.0	
002	SE Region Road Surface Treatment	X			527.0	
003	Dalton Hwy. Painted Traffic Markings	X			113.6	61.4
004	CR Bridge M& R, NHS FY '02	X			118.5	200.0
005	Soldotna: East Redoubt Ave., Improvements		X		633.0	
006	Statewide Emergency Sign & Traffic Signals	X	X		430.0	
007	Northern Region Winter Trail Marking		X		182.8	111.0
008	King Cove Lagoon Bridge		X			5.0
<b>Totals</b>					<b>\$ 10,864.9</b>	<b>\$ 377.4</b>

Total dollars committed to surface transportation funding for 2002 was \$ 457.0 million.

2002 FA work performed = 2.46 % of the total surface transportation program

**\$ 11,242.3**

# Alaska Department of Transportation and Public Facilities

## Highway Construction Program 1995 - Present

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>TOTAL</u>	<u>Average</u>	<u>% Construction (Hwy)</u>
<b>Central Region</b>											
Construction (Hwy)	\$ 68,382,000	\$ 99,206,000	\$ 58,099,000	\$ 71,906,100	\$ 94,455,270	\$ 136,331,200	\$ 165,360,260	\$ 172,035,553	\$ 865,775,383	\$ 108,221,923	74%
Highway (all phases)	\$ 90,460,000	\$ 122,887,000	\$ 81,513,481	\$ 97,679,900	\$ 160,313,000	\$ 180,015,700	\$ 213,973,100	\$ 221,485,000	\$ 1,168,327,181	\$ 146,040,898	
	<u>\$ 90,460,000</u>	<u>\$ 122,887,000</u>	<u>\$ 81,513,481</u>	<u>\$ 97,679,900</u>	<u>\$ 160,313,000</u>	<u>\$ 180,015,700</u>	<u>\$ 213,973,100</u>	<u>\$ 221,485,000</u>	<u>\$ 1,168,327,181</u>	<u>\$ 146,040,898</u>	
<b>Northern Region</b>											
Construction (Hwy)	\$ 53,306,994	\$ 42,311,837	\$ 32,724,394	\$ 40,860,859	\$ 57,735,990	\$ 59,252,627	\$ 39,337,815	\$ 87,135,850	\$ 412,666,366	\$ 51,583,296	78%
Highway (all phases)	\$ 66,969,508	\$ 50,614,838	\$ 39,950,498	\$ 56,380,284	\$ 77,494,601	\$ 69,877,620	\$ 54,485,489	\$ 110,266,597	\$ 526,039,435	\$ 65,754,929	
	<u>\$ 66,969,508</u>	<u>\$ 50,614,838</u>	<u>\$ 39,950,498</u>	<u>\$ 56,380,284</u>	<u>\$ 77,494,601</u>	<u>\$ 69,877,620</u>	<u>\$ 54,485,489</u>	<u>\$ 110,266,597</u>	<u>\$ 526,039,435</u>	<u>\$ 65,754,929</u>	
<b>Southeast Region</b>											
Construction (Hwy)	\$ 43,755,520	\$ 22,190,063	\$ 59,939,310	\$ 38,548,767	\$ 56,496,497	\$ 40,336,995	\$ 37,691,828	\$ 92,745,003	\$ 391,703,989	\$ 48,962,909	78%
Highway (all phases)	\$ 50,285,628	\$ 30,199,332	\$ 55,457,881	\$ 52,465,442	\$ 85,162,179	\$ 55,869,169	\$ 60,918,666	\$ 112,345,051	\$ 502,703,348	\$ 62,837,919	
	<u>\$ 50,285,628</u>	<u>\$ 30,199,332</u>	<u>\$ 55,457,881</u>	<u>\$ 52,465,442</u>	<u>\$ 85,162,179</u>	<u>\$ 55,869,169</u>	<u>\$ 60,918,666</u>	<u>\$ 112,345,051</u>	<u>\$ 502,703,348</u>	<u>\$ 62,837,919</u>	
<b>TOTAL</b>											
Construction (Hwy)	\$ 165,444,514	\$ 163,707,900	\$ 150,762,704	\$ 151,315,726	\$ 208,687,757	\$ 235,920,822	\$ 242,389,903	\$ 351,916,412	\$ 1,670,145,738	\$ 208,768,217	76%
Highway (all phases)	\$ 207,715,136	\$ 203,701,170	\$ 176,921,860	\$ 206,525,626	\$ 322,969,780	\$ 305,762,489	\$ 329,377,255	\$ 444,096,648	\$ 2,197,069,964	\$ 274,633,746	
	<u>\$ 207,715,136</u>	<u>\$ 203,701,170</u>	<u>\$ 176,921,860</u>	<u>\$ 206,525,626</u>	<u>\$ 322,969,780</u>	<u>\$ 305,762,489</u>	<u>\$ 329,377,255</u>	<u>\$ 444,096,648</u>	<u>\$ 2,197,069,964</u>	<u>\$ 274,633,746</u>	
% Construction (Hwy)	80%	80%	85%	73%	65%	77%	74%	79%		76%	

Construction (Hwy) = Phase 4 Obligated

Figures do not include state match.



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February 18, 2003

Representative Holm, Co-Chair  
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Sincerely

Kevin Ritchie  
Executive Director

**NATIVE VILLAGE OF TUNUNAK  
TUNUNAK IRA COUNCIL  
PO BOX 77; TUNUNAK, ALASKA 99681  
PHONE: (907) 652-6527 FAX: (907) 652-6011**

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**TO: ALASKA STATE LEGISLATORS**

Date: March 12, 2003

**FROM: James G. James, Tribal Administrator**



**Re: Senate Bill 40 and House Bill 67**

**MESSAGE:**

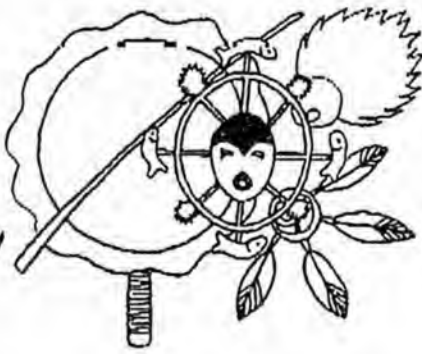
Once again the construction of capital projects by force account within the State of Alaska has been put into place in question.

The Bill which has been sponsored by Senator John Cowdery and Representative Jim Holm would limit the construction of state funded capital projects by force account to those projects under \$250,000.00.

It will have a big impact especially to rural areas in which the majority of village members are in dire need of jobs and economic opportunities because of high costs of living.

I have seen many of our people that are in need to feed their baby and to clothe them with proper clothing during harsh winter months. A can of evaporated milk costs \$1.55 per can and the baby formula can cost nearly \$20.00 or more depending on the price market up. The clothing prices are devastating compared to Anchorage prices. Although, people that are on welfare or on any assistance through State and Federal Assistance programs are just a quarter worth.

We urge you not to pass those two bills because it won't help the real Alaskans who need it the most.  
Thank You.



## Nunakauyak Traditional Council

### TO ALL ALASKA STATE LEGISLATURES

Senator John Cowdery under Senate Bill 40 and Representative Jim Holm under House Bill 67 have introduced the bills which will affect the capital projects by "Force Account" in which we know will have devastating impact in our region and local economy. With limitation on State-funded projects to no more than \$250,000 will not support local economy whatsoever. This limitation and phasing out construction jobs under force account will not help high unemployment rate in rural communities. Big construction companies and non-residents will only benefit from construction jobs instead..

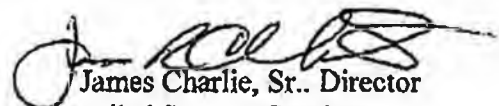
Villages do not even have economic base in which to support their own projects whether they are funded by the State or Federal government. The tribes or Tribal organizations have exercised their right to govern themselves by handling projects under force account thereby guaranteeing jobs to local residents who are jobless and have families to support. Big construction firms from outside of or even those based in Alaska do not always have that guarantee and instead bring in crews with them. This type of construction project do not support local economy.

The Alaska State Legislatures would be more lenient to its constituent's needs and well-being by helping them to protect their interest and allow them to continue to handle their own projects under force account. As a long time Tribal Council employee, I see many benefits that local force account projects provides to those who took part in construction projects which also help provide local economy little by little.

On the behalf of Nunakauyak Traditional Council (NTC) and many tribal governments and tribal organizations within AVCP/Calista region, I would like to humbly ask Senator Cowdery and Representative Holm to listen and reconsider or withdraw their bills immediately.

Last but not least, I would like to ask all Alaska State Legislatures to vote these bills down if the bills are not withdrawn by its original authors.

ON THE BEHALF OF NUNAKAUYAK TRADITIONAL COUNCIL

  
James Charlie, Sr.. Director  
Tribal Support Services

cc: Mr. David B. Tim, NTC Chairman  
Editor, The Delta Discovery  
Editor, The Tundra Drums

## St. Mary's Airport Road Rehabilitation Final Completion Summary Report

During the summers of 2001 and 2002, work was conducted to rehabilitate the St. Mary's Airport Road. The job consisted of rehabilitating approximately 8.1 kilometers of access road from the St. Mary's Airport to the post office in the City of St. Mary's. The existing road was reconstructed to provide a two-lane road 7.2 meters from shoulder to shoulder. A surface course was placed on the road to finish the project. Alaska Department of Transportation and Public Facilities' (ADOT) employees were used in completing the project by Forco Account. Total cost of the project was \$2,470,000.

Work during the summer of 2001 included clearing, excavating and removing inappropriate material, placing pipe, and the placing of base and sub-base courses. Work extended from May 1 through the end of September and was conducted by local residents of St. Mary's, who were hired as temporary state employees.

To complete the work in 2001, 17 local residents were hired. Over the summer they worked a total of 9,618 hours, of which 2,847 hours were overtime. Total payroll for these employees was \$259,067. Training was provided for 13 of these employees through the Alaska Vocational Technical Center for obtaining Commercial Drivers Licenses. All of these obtained their CDL's through this process. Jobs by these employees included operating CAT loaders, CAT Dozers, Dump Trucks and Rock Trucks. DOT foreman duties, administration and materials testing costs during this time period accounted for \$232,200.

Through a Memorandum of Understanding between the City of St. Mary's and the ADOT, St. Mary's provided equipment, mechanic/oiler services and fuel for the project. Through this memorandum, the City of St. Mary's was paid \$449,600 for equipment, \$103,630 for fuel and \$40,820 for mechanic/oiler services. Equipment used through the Memorandum of Understanding was new to the community and was retained by them after the project was finished. In addition, the City of St. Mary's received \$415,000 for aggregate that was taken from the city aggregate source.

Work during the summer of 2002 consisted of clearing, embankment construction and stabilization, grade raises, placing surface course and calcium chloride, installing delineators and reconditioning the borrow pits. The Maintenance and Operations Department of ADOT managed this phase of the project, due to their expertise in doing high float surfacing. However, it turned out that acceptable aggregate for conducting high float operations could not be produced on site and was too expensive to barge in to the project. Instead, surface material available was placed and conditioned in place, with calcium chloride applied as a binder/dust suppressant.

From May 31, 2002 through January 15, 2003, seven local residents were hired under M & O's management. Over the summer they worked a total of 1,027.50 hours of regular time, 545 hours of overtime and 200 hours of double time for a total of 1,772.5 hours. With M & O overhead and foreman personnel included, the total payroll for these

employees was \$100,331.45. Construction personnel charged an additional \$11,861.91 to the project over the same time period.

During the summer of 2002, the City of St. Mary's provided the following fuel, equipment, mechanic and oiler services and aggregate. Fuel charges from the City of St. Mary's totaled \$13,817.22. Equipment charges from the City of St. Mary's totaled \$84,427.85. Oiler and mechanic services that were provided totaled \$7,000.00. Aggregate purchases totaled \$309,307.25 including a \$500 gravel road access fee.



**HOUSE TRANSPORTATION COMMITTEE**  
STATE CAPITOL, ROOM 17  
465-4858

**COMMITTEE  
MEMBERS**

Rep. Jim Holm  
Co-Chair  
Room 110  
465-3466

Rep. Beverly Masek  
Co-Chair  
Room 403  
465-2679

Rep. Hugh Fate  
Room 128  
465-4967

Rep. Cheryll Heinze  
Room 416  
465-4930

Rep. Mary Kapsner  
Room 424  
465-4942

Rep. Vic Kohring  
Room 24  
465-2186

Rep. Albert Kookesh  
Room 114  
465-3473

DATE: February 19, 2003  
TO: House Transportation Committee Members  
FROM: Barbara Cotting, Committee Aide  
RE: HB 67, "Force Accounts"

Please add the attached items to the packet for HB 67, "Force Accounts"

- Revised fiscal note
- Summary of St. Mary's force account project
- Statement of opposition from AML
- Statement of support from Associated Builders & Contractors

The bill will be heard at 1:30 p.m. Thursday, February 20.

THANKS!

A handwritten signature in cursive script that reads "Barbara".

## SUMMARY OF LEGISLATIVE RESEARCH REPORT ON TRANSPORTATION MAINTENANCE VS. CONSTRUCTION

- Alaska statutes define CONSTRUCTION as a major repair, a reconstruction, alteration or improvement. (AS 19.45.001)
- Alaska statutes define MAINTENANCE as preservation to best maintain a structure or road to its original condition. (AS 19.45.001).
- These definitions allow for plenty of gray area.
- Alaska DOT-PF has no set policy for addressing a decision made within this gray area.
- Alaska DOT-PF finds advantages in keeping the definitions flexible.
- There is gray area also in finding a definition for RECONSTRUCTION as well as RESTORATION.
- WASHINGTON STATE statute defines projects over \$50,000 as CONSTRUCTION. Projects costing less are MAINTENANCE.
- State funds to construct, alter, repair or improve can be used as maintenance when the estimated project cost is under \$50,000.
- Projects costing over \$50,000 are considered CONSTRUCTION.
- In California, CONSTRUCTION is defined as follows: Acquisition of Rights of Way and material sites, Construction, Reconstruction, Replacement, Any Improvement except maintenance as defined, other items such as weed control, safety devices, adding lights and signs.
- California's definition of MAINTENANCE is as follows: Preservation and keeping of a right of way, etc., operation of special and emergency equipment. The widest definition is left up to the discretion of authorities charged with maintenance.
- ILLINOIS defines CONSTRUCTION this way: The performance of all things necessary to build, rebuild or improve a highway (or part thereof) on an existing or new location ...
- ILLINOIS defines MAINTENANCE this way: The performance of all things necessary to keep a highway in serviceable condition for vehicular traffic.

Teleconf -  
Justifiers

---

email  
#  
to  
Evan

off-net  
Stewart Jacques  
888-263-1555  
Anch

~~Call Andy Mathison~~

**Subject: Force Account bill**

**Date:** Wed, 19 Feb 2003 09:28:07 -0900

**From:** Barbara Cotting <Barbara\_Cotting@Legis.state.ak.us>

**Organization:** Alaska State Legislature

**To:** eden@abcalaska.org

Hi Eden,

I just talked to Judy Martinson and she'll be on line in Nome for tomorrow's 1:30 meeting.

Stewart Jacques can testing off-net by calling 888-263-1555.

Barbara

Eden Larson wrote:

Good Morning Barbara:

One of my board members would like to testify tomorrow but scheduling attendance at the LIO will be difficult. Is there an off-site number he can call to participate?

Eden Larson

Executive Director

ABC of Alaska

907-565-5600

[www.abcalaska.org](http://www.abcalaska.org)

-----Original Message-----

**From:** Barbara Cotting [[mailto:Barbara\\_Cotting@Legis.state.ak.us](mailto:Barbara_Cotting@Legis.state.ak.us)]

**Sent:** Thursday, February 13, 2003 9:34 AM

**To:** eden@abcalaska.org

**Subject:** Re: Force Account position

THANKS Eden!

Barbara

Eden Larson wrote:

Good Morning Barbara:

Attached please find a position paper on HB 67 for your use. I have one person testifying in Fairbanks, one from Nome and I am still trying to adjust my schedule so that I can be present in Anchorage.

Force Account bill

Eden Larson

Executive Director

ABC of Alaska

907-565-5600

[www.abcalaska.org](http://www.abcalaska.org)

RE: Force Account position

**Subject: RE: Force Account position**

**Date:** Thu, 13 Feb 2003 14:17:24 -0900

**From:** "Eden Larson" <eden@abcalaska.org>

**To:** "Barbara Cotting" <Barbara\_Cotting@Legis.state.ak.us>

You are very welcome. I'll work to make sure we have representation there next week.

Eden Larson

Executive Director

ABC of Alaska

907-565-5600

www.abcalaska.org

-----Original Message-----

**From:** Barbara Cotting [mailto:Barbara\_Cotting@Legis.state.ak.us]

**Sent:** Thursday, February 13, 2003 2:19 PM

**To:** eden@abcalaska.org

**Subject:** Re: Force Account position

DARN it - the meeting was canceled, as you know by now, because we didn't have a quorum present. I'm going to reschedule it for next Tuesday, with Thursday's date as back-up. I hope all the folks you contacted will be able to testify next week. We're so sorry for the inconvenience this caused but it was totally unforeseen.

Thanks again for the great letter of support.

Barbara

Eden Larson wrote:

Good Morning Barbara:

Attached please find a position paper on HB 67 for your use. I have one person testifying in Fairbanks, one from Nome and I am still trying to adjust my schedule so that I can be present in Anchorage.

Eden Larson

Executive Director

ABC of Alaska

907-565-5600

STATE OF ALASKA  
HOUSE OF REPRESENTATIVES

Representative Jim Holm



119 N. Cushman  
Fairbanks, AK 99701  
TEL 456-7423, FAX 451-9293

State Capitol  
Juneau, AK 99801  
TEL 465-3466, FAX 465-2937

**DATE:** February 12, 2003

**TO:** Judy Martinson  
North Coast Construction  
Nome, Alaska

**FAX:** 443-5851

**FROM:** Barbara Cotting, Aide  
House Transportation Committee

A handwritten signature in cursive script, likely belonging to Barbara Cotting, positioned to the right of the "FROM:" field.

Following is information on House Bill 67. We look forward to your testimony in support of this bill on Thursday afternoon.

As I said, the hearing is from 1:30 – 3:00 p.m., and public testimony will begin probably a little after 2:00.

Thank you very much for contacting us.

Edna - Judy Mattinson

443 - 2596

Nome

Nor. Coast  
Const.

4:30 Thurs -

~~2:00~~ 2:00

2:15

FAX:

443 - 5851

Sponsor and/or Committee Name			Date
HTRA- Rep. Holm, Chair			Feb 20 - Thurs
Start/End Time	Chairing site	Juneau Room	Testimony
1:30 - 3:00	Juneau	Cap17	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Invitational <input type="checkbox"/>
Contact Person and	Phone Number	Other sites may add?	Testimony Limit
Barb Cotting	465-4858	Yes	NO
Subject of meeting and/or Bills on agenda			

Bills previously heard / scheduled  
and  
HB ~~1111~~ 67

Sites - LIOs	Sites - Offnets	Phone #
Anchorage		
Barrow		
Bethel		
Cordova		
Delta Junction		
Dillingham		
Fairbanks		
Glennallen		
Homer		
Juneau		
Kenai		
Ketchikan		
Kodiak		
Kotzebue		
Matsu		
Nome		
Petersburg		
Seward		
Sitka		
Tok		
Valdez		
Wrangell		

Notes


**Teleconference Order Form Fax #465-2855**

*Please Change to  
Tues Feb 4872 25*

Sponsor and/or Committee Name			Date
HTRA - Rep. Holm, Chair			Feb 18 - 7/11/05
Start/End Time	Chairing site	Juneau Room	Testimony
1:30 - 3:00	Juneau	Cap17	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Invitational <input type="checkbox"/>
Contact Person and	Phone Number	Other sites may add?	Testimony Limit
Barb Cotting	465-4858	Yes	No
Subject of meeting and/or Bills on agenda			

*HB 96  
HB 93*

Sites - LIOs		Sites - Offnets	Phone #
Anchorage	✓		
Barrow			
Bethel			
Cordova			
Delta Junction			
Dillingham			
Fairbanks	✓		
Glennallen			
Homer			
Juneau			
Kenai			
Ketchikan			
Kodiak	✓		
Kotzebue			
Matsu			
Nome	<i>MM</i>		
Petersburg			
Seward			
Sitka			
Tok			
Valdez			
Wrangell			

Notes			

456-6968

STATE OF ALASKA  
HOUSE OF REPRESENTATIVES  
Representative Jim Holm



119 N. Cushman  
Fairbanks, AK 99701  
TEL 456-7423, FAX 451-9293

State Capitol  
Juneau, AK 99801  
TEL 465-3466, FAX 465-2937

**DATE:** February 19, 2003

**TO:** Kara Moriarty

**FROM:** Barbara Cotting

**Following is information you requested on the "force account" bill. Call me if you have any questions. My direct line is 465-4858.**

**HB 67 will be heard in House Transportation tomorrow (Feb 20) at 1:30 p.m. and the Fairbanks LIO will be on line.**

**Thanks.**

*Barbara*

Jerry - DOT

451-2210

888-263-1555

Ralph Swarthout  
+ 2 others

Will dial in.

Subject:  
RE: (no subject)  
Date:  
Thu, 6 Feb 2003 17:37:58 -0900  
From:  
Dick Cattnach <dick@AGCAK.org>  
To:  
'Barbara Cotting' <Barbara\_Cotting@Legis.state.ak.us>

ABC is an organization similar to AGC that deals only with non-union contractors. They are different from us in that we deal with both while they deal with only one side. Half of our members are non-union but they sometimes try to portray us as a union organization. They are considerably smaller (about 20%) than us and many of their members are also members of ours.

LM Mon 12:45  
3:30  
Eden Larsen  
565-5600  
associated builders &  
contractors

2/11 - She will send a letter  
of support & have someone  
testify.

Teleconference Order Form, **Fax #465-2864**

✓ 2/16/13

4872

Sponsor and/or Committee Name			Date
HTRA- Rep. Holm, Chair			2/13/13
Start/End Time	Chairing site	Juneau Room	Testimony
1:30 - 3:00	Juneau	Cap17	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Invitational <input type="checkbox"/>
Contact Person and	Phone Number	Other sites may add?	Testimony Limit
Barb Cotting	465-4858	Yes	5 min
Subject of meeting and/or Bills on agenda			

Sites - LIOs		Sites - Offnets	Phone #
Anchorage	✓		
Barrow			
Bethel			
Cordova			
Delta Junction			
Dillingham			
Fairbanks	✓		
Glennallen			
Homer			
Juneau			
Kenai			
Ketchikan			
Kodiak			
Kotzebue			
Matsu			
Nome			
Petersburg			
Seward			
Sitka			
Tok			
Valdez			
Wrangell			

Notes