

# Alaska State Legislature

## House of Representatives



Official Business

State Capitol  
Juneau, AK 99801-1182

### **SPONSOR STATEMENT FOR HB 529** **BY: Representative Tom Anderson**

**TITLE: "An Act relating to performance of railroad track construction work for the Department of Transportation and Public Facilities by the Alaska Railroad Corporation"**

[House Bill 529](#) amends the procurement code so that the Department of Transportation and Public Facilities (ADOT/PF) can work directly with the Alaska Railroad Corporation (ARRC) on track work through a reimbursable service agreement similar to other utilities (i.e. power and water lines).

Prior to 1996, ARRC could conduct track work for DOT projects under utility agreements. After 1996, the procurement code was amended requiring DOT/PF to contract for track work under the competitive bid process. For a time, contractors bid – and won – such work. Recently, however, contractors have shown less interest in bidding such work. They don't have the specialized, expensive equipment to conduct the work, and they experience high costs trying to meet the specifications required.

To remedy this situation and ensure DOT/PF projects move forward, HB 529 will allow DOT/PF the flexibility to use either the competitive bid process or to work directly with the Alaska Railroad.

The advantage of this arrangement for DOT/PF is possible lower costs and a savings of time. The advantage for the Alaska Railroad will be enhanced quality and assurance that industry standards met.