

State of Alaska FY2017 Governor's Operating Budget

Department of Transportation/Public Facilities Overhaul Component Budget Summary

Component: Overhaul**Contribution to Department's Mission**

Overhaul all vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain operational readiness of the fleet in a safe, reliable condition and within regulatory guidelines.

Core Services

- Inspect and maintain 11 vessels in the AMHS fleet in accordance with the regulatory requirements of the United States Coast Guard (USCG), the American Bureau of Shipping (ABS), U.S. Code of Federal Regulations, 2000 High Speed Craft Code, Det Norske Veritas (DNV), Department of Environmental Conservation, and International Safety of Life at Sea, in addition to state vessel maintenance policies.
- Manage all contracts necessary to accomplish the annual overhauls including those for dry-docking, hull inspections, fire and lifesaving equipment inspections, repairs, cleaning, painting, and machinery reconditioning.

Major Component Accomplishments in 2015

- Successfully managed state overhauls for 10 vessels at the shipyard in Ketchikan Alaska. Received Certificates of Inspection (COI) for all 10 vessels from USCG. The 11th vessel, M/V Taku, was not overhauled due to capital budget shortfalls and its USCG COI has been suspended.
- Completed annual inspections required for retaining vessel classification through ABS or DNV classification societies as necessary.

Key Component Challenges

- Managing the aging fleet as it becomes increasingly difficult to anticipate and forecast maintenance cost and vessel reliability leading to extensive discovery work. This requires additional overhaul time expenses, and late deliveries out of overhaul which seriously impacts operational sailing schedules.
- Meeting ever-stricter safety and environmental standards during overhauls

Significant Changes in Results to be Delivered in FY2017

- Results Based Budgeting will be used to develop performance measures that quantify outcomes (not activities) as well as determine priorities.
- Shrinking capital budget and deferred maintenance funding has effectively reduced the fleet size from 11 ships to 10. The continuing trend toward reduced budgets may result in fewer ships meeting overhaul requirements and earning their USCG COI in order to operate in revenue service.

Statutory and Regulatory Authority

AS 19 Highways & Ferries
AS 44 State Government

Contact Information

Contact: Michael Neussl, Deputy Commissioner
Phone: (907) 465-6977
Fax: (907) 465-3124
E-mail: michael.neussl@alaska.gov

Component Detail All Funds
Department of Transportation/Public Facilities

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	171.4	549.4	549.4	549.4	549.4	0.0	0.0%
73000 Services	1,136.5	670.0	670.0	670.0	670.0	0.0	0.0%
74000 Commodities	277.5	428.4	428.4	428.4	428.4	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,585.4	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Fund Sources:							
1076Marine Hwy (DGF)	1,585.4	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	1,585.4	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Transportation/Public Facilities

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee	ConfCom	1,647.8	0.0	549.4	670.0	428.4	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		1,647.8										
	Subtotal	1,647.8	0.0	549.4	670.0	428.4	0.0	0.0	0.0	0	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
	Totals	1,647.8	0.0	549.4	670.0	428.4	0.0	0.0	0.0	0	0	0

Line Item Detail
Department of Transportation/Public Facilities
Travel

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		171.4	549.4	549.4
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			171.4	549.4	549.4
72100	Instate Travel	Travel for vessel crews during annual overhaul of vessels.	125.6	325.0	325.0
72400	Out Of State Travel	Out of state travel for vessel crews during annual overhaul of vessels.	45.8	224.4	224.4

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services		1,136.5	670.0	670.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			1,136.5	670.0	670.0
73225	Delivery Services	Freight for parts shipments.	0.7	4.0	4.0
73525	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	27.5	4.7	4.7
73650	Struc/Infstruct/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	292.7	110.7	110.7
73675	Equipment/Machinery	Repair and inspection of vessels in shipyard including all forms of United States Coast Guard and American Bureau of Shipping required repairs to obtain Certificate of Inspection. Various services are provided for dry docking, shaft/rudder measurements, sea valves, underbody cleaning and painting, bow thrusters, ballast tanks and voids, cathodic protection, fire extinguishing systems, life raft recertification, heating, ventilation, and air conditioning (HVAC) system cleaning, deck equipment, superstructure painting, steel and piping repairs, electrical and galley repairs, regulatory inspection work, and main and auxiliary engine repairs.	808.6	547.5	547.5
73686	Rentals/Leases (Non IA-Eq/Machinery)	Costs of equipment and vehicle rentals during the vessels annual overhaul.	5.0	0.0	0.0
73750	Other Services (Non IA Svcs)	Costs of equipment and vehicle rentals during the vessels annual overhaul.	0.5	3.0	3.0
73819	Commission Sales (IA Svcs)	State Travel Office Processing fees charged by the State Travel Office.	1.5	0.1	0.1

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		277.5	428.4	428.4
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			277.5	428.4	428.4
74200	Business	General business supplies, furniture and equipment.	17.2	30.0	30.0
74480	Household & Instit.	General cleaning supplies.	7.9	15.0	15.0
74520	Scientific & Medical	Industrial chemicals and testing supplies.	0.5	8.0	8.0
74600	Safety (Commodities)	First aid and research and rescue supplies.	8.5	24.0	24.0
74650	Repair/Maintenance (Commodities)	Engine parts, paint and other supplies required to complete annual vessel overhauls.	243.4	351.4	351.4

Interagency Services
Department of Transportation/Public Facilities

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor	
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel Office.	Inter-dept	State Travel Office	1.5	0.1	0.1
73819 Commission Sales (IA Svcs) subtotal:				1.5	0.1	0.1	
Overhaul total:				1.5	0.1	0.1	
Grand Total:				1.5	0.1	0.1	