

State of Alaska FY2018 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 all 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 convention, 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 2016

- Successfully managed state overhauls for eight vessels at the shipyard in Ketchikan Alaska.
- Received Certificates of Inspection (COI) for nine vessels from USCG. The M/V Columbia's annual overhaul was completed at the Fairhaven, WA shipyard, following completion of the federally funded bridge deck renovation.
- The M/V Taku and FVF Chenega were not overhauled and their USCG COI have been suspended. An appraisal was conducted in anticipation of the State of Alaska selling the M/V Taku.
- 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. As a result, risk of impacts to the operating schedule due to discovery work is high. Consequently, unplanned maintenance increases the minimum maintenance costs, and displaces capital expenditures throughout the fleet.
- Meeting ever-stricter safety and environmental standards during overhauls.

Significant Changes in Results to be Delivered in FY2018

- Results Based Alignment will be used to fine tune performance measures that quantify outcomes (not activities), drive decision making, and determine program and service priorities.
- Shrinking capital budget and deferred maintenance funding has effectively reduced the fleet size from 11 ships to nine. 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

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Component Detail All Funds
Department of Transportation/Public Facilities

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

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	623.5	549.4	549.4	549.4	549.4	0.0	0.0%
73000 Services	705.0	670.0	670.0	670.0	670.0	0.0	0.0%
74000 Commodities	518.6	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	1,847.1	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Fund Sources:							
1076Marine Hwy (DGF)	1,847.1	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)	1,847.1	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 FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 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 FY2017 Management Plan To FY2018 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 (1676)
Department of Transportation/Public Facilities
Travel

Component: Overhaul (1212)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		623.5	549.4	549.4
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000 Travel Detail Totals			623.5	549.4	549.4
2000	In-State Employee Travel	Travel for vessel crews during annual overhaul of vessels.	324.6	325.0	325.0
2002	Out of State Employee Travel	Out of state travel for vessel crews during annual overhaul of vessels.	298.9	224.4	224.4

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Overhaul (1212)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		705.0	670.0	670.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			705.0	670.0	670.0
3001	Financial Services	Pcard transactions miscoded	0.4	0.0	0.0
3006	Delivery Services	Postage, courier or freight charges.	2.6	4.0	4.0
3008	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	0.0	4.7	4.7
3009	Structure/Infrastructure/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	91.7	110.7	110.7
3010	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.	558.8	547.5	547.5

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Overhaul (1212)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			705.0	670.0	670.0
3011	Other Services	Costs of equipment and vehicle rentals during the vessels annual overhaul.	11.5	3.0	3.0
3011	Other Services	Processing fees charged by the State Travel Office.	0.0	0.1	0.1
3031	Inter-Agency Construction	Trans - Southcoast Design & Eng Svcs (2300) Whittier transfer bridge reinforcement.	40.0	0.0	0.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Commodities

Component: Overhaul (1212)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		518.6	428.4	428.4
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000 Commodities Detail Totals			518.6	428.4	428.4
4000	Business	General business supplies, furniture and equipment.	8.2	30.0	30.0
4002	Household/Institutional	General cleaning supplies.	5.0	15.0	15.0
4003	Scientific and Medical	Industrial chemicals and testing supplies.	0.3	8.0	8.0
4004	Safety	First aid and research and rescue supplies.	4.3	24.0	24.0
4006	Signs and Markers	Signs and marker supplies.	0.2	0.0	0.0
4011	Electrical	Electrical supplies.	4.6	0.0	0.0
4012	Plumbing	Plumbing supplies.	13.4	0.0	0.0
4013	Lube Oils/Grease/Solvents	Misc supplies.	0.4	0.0	0.0
4014	Bottled Gas	Bottled Gas	1.0	0.0	0.0
4015	Parts and Supplies	Parts and supplies.	449.2	351.4	351.4
4016	Paint/Preservatives	Paint and preservatives.	21.2	0.0	0.0
4019	Small Tools/Minor Equipment	Small Tools/Minor Equipment	8.5	0.0	0.0
4020	Equipment Fuel	Drums of diesel.	2.3	0.0	0.0

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Overhaul (1212)

	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Component Totals	40.0	0.0	0.0
With Department of Transportation/Public Facilities	40.0	0.0	0.0

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3031 Inter-Agency Construction	Trans - Southcoast Design & Eng Svcs (2300)	Whittier transfer bridge reinforcement.	40.0	0.0	0.0