

State of Alaska FY2020 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, Food and Drug Administration, Canadian enforcement agencies (as applicable), 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 and structure inspections, fire and lifesaving equipment inspections, repairs, cleaning, painting, and machinery overhaul.

Major Component Accomplishments in 2018

- Managed state overhauls for eight vessels at Vigor Alaska LLC's Ketchikan, Alaska ship repair facility.
- Received Certificates of Inspection for all nine vessels from the USCG.
- Completed Major mechanical overhaul evolution for M/V Kennicott resulting from reaching the 20-year service milestone. Mid-life refurbishment of the controlled pitch propeller system, reduction gears and fin stabilizers completed simultaneously.

Key Component Challenges

- Managing the volume of work needed to ensure safe and reliable operation of an aging fleet. With vessels reaching a half century or more of service, the list of material and mechanical deficiencies identified out-paces available resources. Discovery of unknown and unknowable conditions when undertaking needed work continues to put pressure on the limited capital budget and on human and material resources.
- Meeting ever-stricter safety and environmental standards during overhauls.
- Increased scrutiny of vessel condition and operational readiness by USCG and other regulators in the wake of recent marine casualties. This includes the enforcement of continuously updated and expanded regulatory rules and codes by USCG, ABS, and DNV.
- The need to focus available resources only on safety and regulatory needs to ensure continued operation for the public prevents quality of life improvements, modernization efforts, or substantial cosmetic work. Having to deny such work repeatedly due to capital constraints impacts morale and work output of onboard crew performing required maintenance. Managing the employee impacts requires increased efforts from managerial leadership.

Significant Changes in Results to be Delivered in FY2020

- Continued use of Results Based Alignment (RBA) methodologies to define desired outcomes of overhaul efforts in support of the department's mission. This will continue to improve the accuracy and efficiency of the overhaul program in delivering maximal impact for the funding provided.
- Use of RBA methodologies to identify future needs based upon observed results will continue to improve AMHS ability to accurately identify future funding needs and inform stakeholders of any changing needs.
- Efforts will continue to procure a new Maintenance Management System software for the fleet and shoreside facilities will improve forecasting of maintenance and repair needs with RBA.
- The evolution of the AMHS fleet makeup with the addition of the new Alaska Class Ferries will drive decisions on use of overhaul funds. Decisions about fleet make up and utilization will impact overhaul priorities and schedules. The layup of vessels to support operational realities will incur costs for preservation and stewardship.

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

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	656.1	549.4	549.4	549.4	549.4	0.0	0.0%
73000 Services	525.7	670.0	670.0	670.0	670.0	0.0	0.0%
74000 Commodities	412.2	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	1,594.0	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Fund Sources:							
1076 Marine Hwy (DGF)	1,594.0	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)	1,594.0	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 FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 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 FY2019 Management Plan To FY2020 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		FY2018 Actuals	FY2019 Management Plan
2000	Travel		656.1	549.4
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			656.1	549.4
2000	In-State Employee Travel	Travel for vessel crews during annual overhaul of vessels.	399.7	464.0
2002	Out of State Employee Travel	Out of state travel for vessel crews during annual overhaul of vessels.	256.4	85.4

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

Component: Overhaul (1212)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		525.7	670.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			525.7	670.0
3006	Delivery Services	Postage, courier or freight charges.	0.2	4.0
3008	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	37.7	1.7
3009	Structure/Infrastructure/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	247.0	326.7
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.	233.2	336.2
3011	Other Services	Costs of equipment and vehicle rentals during the vessels annual	7.6	1.4

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

Component: Overhaul (1212)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			525.7	670.0
overhaul.				

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

Component: Overhaul (1212)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		412.2	428.4
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			412.2	428.4
4000	Business	General business supplies, furniture and equipment.	6.9	4.7
4002	Household/Institutional	General cleaning supplies.	6.1	9.0
4003	Scientific and Medical	Industrial chemicals and testing supplies.	0.0	0.1
4004	Safety	First aid and research and rescue supplies.	2.2	10.1
4006	Signs and Markers	Signs and marker supplies.	0.7	2.3
4011	Electrical	Electrical supplies.	21.3	7.3
4012	Plumbing	Plumbing supplies.	19.3	3.2
4013	Lube Oils/Grease/Solvents	Lube oils/grease/solvents used for overhaul of ships.	0.1	1.6
4014	Bottled Gas	Bottled Gas	0.2	0.3
4015	Parts and Supplies	Parts and supplies.	343.4	358.5
4016	Paint/Preservatives	Paint and preservatives.	6.9	21.8
4018	Surface Chemicals	Surface chemicals used on overhaul of ships.	0.2	0.6
4019	Small Tools/Minor Equipment	Small Tools/Minor Equipment	4.7	7.7
4020	Equipment Fuel	Fuel for overhaul of ships.	0.2	1.2