

# **State of Alaska FY2021 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 2019

- Managed state overhauls for eight vessels at Vigor Alaska LLC's Ketchikan, Alaska ship repair facility.
- Received Certificates of Inspection for all eight vessels from the USCG.

### 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 FY2021

- Efforts will continue to procure a new Maintenance Management System software for the fleet and shoreside facilities, which will improve forecasting of maintenance and repair needs.
- 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

**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

	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	199.9	549.4	549.4	0.0	0.0	0.0	0.0%
73000 Services	1,102.0	670.0	670.0	199.4	199.4	0.0	0.0%
74000 Commodities	305.1	428.4	428.4	130.0	130.0	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%
<b>Totals</b>	<b>1,607.0</b>	<b>1,647.8</b>	<b>1,647.8</b>	<b>329.4</b>	<b>329.4</b>	<b>0.0</b>	<b>0.0%</b>
<b>Fund Sources:</b>							
1076 Marine Hwy (DGF)	1,607.0	1,647.8	1,647.8	329.4	329.4	0.0	0.0%
<b>Unrestricted General (UGF)</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>0.0%</b>
<b>Designated General (DGF)</b>	<b>1,607.0</b>	<b>1,647.8</b>	<b>1,647.8</b>	<b>329.4</b>	<b>329.4</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</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>0.0%</b>
<b>Federal Funds</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>0.0%</b>
<b>Positions:</b>							
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 FY2020 Conference Committee To FY2020 Authorized *****												
<b>FY2020 Conference Committee</b>												
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										
<b>Subtotal</b>		<b>1,647.8</b>	<b>0.0</b>	<b>549.4</b>	<b>670.0</b>	<b>428.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Authorized To FY2020 Management Plan *****												
<b>Transfer to Marine Vessel Operations to Align Authority to Fund FY2020 Operating Plan</b>												
Trout		-1,318.4	0.0	-549.4	-470.6	-298.4	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		-1,318.4										
Transfer authority from Overhaul to Marine Vessel Operations to align with the FY2020 Operating Plan and fund Marine Vessel Operations travel, services, and commodities.												
<b>Subtotal</b>		<b>329.4</b>	<b>0.0</b>	<b>0.0</b>	<b>199.4</b>	<b>130.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Management Plan To FY2021 Governor *****												
<b>Totals</b>		<b>329.4</b>	<b>0.0</b>	<b>0.0</b>	<b>199.4</b>	<b>130.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Component:** Overhaul (1212)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
2000	Travel		199.9	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>2000 Travel Detail Totals</b>			<b>199.9</b>	<b>0.0</b>	<b>0.0</b>
2000	In-State Employee Travel	Travel for vessel crews during annual overhaul of vessels.	144.7	0.0	0.0
2002	Out of State Employee Travel	Out of state travel for vessel crews during annual overhaul of vessels.	55.2	0.0	0.0

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

**Component:** Overhaul (1212)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3000	Services		1,102.0	199.4	199.4
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>			<b>1,102.0</b>	<b>199.4</b>	<b>199.4</b>
3006	Delivery Services	Postage, courier, or freight charges.	0.4	0.4	0.4
3008	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	0.0	0.1	0.1
3009	Structure/Infrastructure/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	644.1	105.5	105.5
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.	456.0	92.3	92.3
3011	Other Services	Costs of equipment and vehicle rentals during the vessels annual	1.5	1.0	1.0

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

**Component:** Overhaul (1212)

Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>			<b>1,102.0</b>	<b>199.4</b>	<b>199.4</b>
3011	Other Services	overhaul. Processing fees charged by the State Travel Office.	0.0	0.1	0.1



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

**Component:** Overhaul (1212)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
4000	Commodities		305.1	130.0	130.0
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>4000 Commodities Detail Totals</b>			<b>305.1</b>	<b>130.0</b>	<b>130.0</b>
4000	Business	General business supplies, furniture and equipment.	24.0	2.0	2.0
4002	Household/Institutional	General cleaning supplies.	3.9	2.0	2.0
4003	Scientific and Medical	Industrial chemicals and testing supplies.	0.1	0.1	0.1
4004	Safety	First aid and research and rescue supplies.	5.1	1.0	1.0
4011	Electrical	Electrical supplies.	11.1	2.0	2.0
4012	Plumbing	Plumbing supplies.	0.1	0.1	0.1
4013	Lube Oils/Grease/Solvents	Lube oils/grease/solvents used for overhaul of ships.	0.0	0.1	0.1
4015	Parts and Supplies	Parts and supplies.	256.1	121.0	121.0
4016	Paint/Preservatives	Paint and preservatives.	4.1	1.4	1.4
4018	Surface Chemicals	Surface chemicals used on overhaul of ships.	0.0	0.1	0.1
4019	Small Tools/Minor Equipment	Small Tools/Minor Equipment.	0.5	0.1	0.1
4020	Equipment Fuel	Fuel for overhaul of ships.	0.1	0.1	0.1