

State of Alaska FY2013 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

- The 11 vessels of the AMHS fleet are required to be inspected and maintained according to regulatory requirements of the U.S. Coast Guard (USCG), the American Bureau of Shipping (ABS), U.S. Code of Federal Regulations (CFR), 2000 High Speed Craft Code (HSC), Det Norske Veritas (DNV), Alaska Department of Environmental Conservation (ADEC), and International Safety of Life at Sea (SOLAS), in addition to State vessel maintenance policies.
- A period of time (normally six to eight weeks for each vessel) is set aside each year to accomplish these tasks or overhauls at a shipyard. At the end of the overhaul period the vessel undergoes a detailed USCG, DNV and/or ABS inspection. Passing this rigorous inspection results in the issuance of a Certificate of Inspection (COI) by the USCG, permitting the vessel to operate for the following year.
- Unannounced quarterly USCG inspections ensure that the AMHS continues to operate and maintain vessel mechanical and electrical systems and safety equipment to the standards required for COI and other certifications.
- Work accomplished during the overhaul period typically includes dry-docking, hull inspections, fire and lifesaving gear and equipment inspections, repairs, cleaning, painting, and machinery reconditioning. Some of those services are provided through contracts with private sector companies.
- Typical products and contracted services include inspections of installed fire fighting systems and shipboard safety equipment, repacking of life rafts, Marine Evacuation Chute/Slides (MEC-MES), and Means of Rescue (MOR) platforms, recertification of boat davits, and technical support of electronic, navigational, communications equipment, propulsion systems, auxiliary machinery, and hull cathodic protection.

Key Component Challenges

- As part of the continued challenge of managing an aging fleet, AMHS has need to refine the way it approaches and plans for the vessel overhauls. As the vessels age, it becomes increasingly difficult to anticipate and forecast maintenance cost and vessel reliability. Management processes that have worked in the past may not be adequate in such a challenging environment.
- Meeting ever-stricter safety and environmental standards continues to be challenging. Compliance frequently requires immediate attention to engineering and installation of new equipment which is expensive to purchase and/or costly to maintain, i.e., newly required accommodations for the newly instituted ADA regulations, water and air discharge levels as well as International Maritime Organization (IMO) Safety of Life at Sea (SOLAS) regulations. Regulatory requirements of the USCG, ABS and DNV have been satisfied to date, but it is anticipated that there will continue to be major challenges in keeping the AMHS fleet in compliance through 2013.
- AMHS is continually seeking different ways to find efficiencies in doing business. Vessel maintenance workloads are continually shifted as vessel service is realigned to meet customer service needs. A Fleet Condition Survey Program has been started to identify potential vessel specific maintenance and regulatory issues before they become operational obstacles.

Significant Changes in Results to be Delivered in FY2013

No significant changes anticipated.

Major Component Accomplishments in 2011

- Successfully managed approximately \$10.0 million in state overhauls for 11 vessels. The work was

- accomplished in both the Ketchikan and Seward shipyards.
- Completed timely and effective overhaul periods for all AMHS vessels.
- Received Certificates of Inspection for all AMHS vessels from USCG, ABS, and DNV.
- Selected Marine Engineering Consultants to commence research and accomplish fleet wide work on the following: Kennicott elevator vehicle tie downs, AMHS Incident Response, FVF SATCOM, and FVF Passenger Weight Rule.

Statutory and Regulatory Authority

AS 19 Highways & Ferries
AS 44 State Government

Contact Information
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**Overhaul
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	176.2	549.4	549.4
73000 Services	810.5	670.0	670.0
74000 Commodities	647.8	428.4	428.4
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,634.5	1,647.8	1,647.8
Funding Sources:			
1076 Marine Highway System Fund	1,634.5	1,647.8	1,647.8
Funding Totals	1,634.5	1,647.8	1,647.8

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	0.0	1,647.8	0.0	0.0	1,647.8
FY2013 Governor	0.0	1,647.8	0.0	0.0	1,647.8

Component Detail All Funds
Department of Transportation/Public Facilities

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

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	176.2	549.4	549.4	549.4	549.4	0.0	0.0%
73000 Services	810.5	670.0	670.0	670.0	670.0	0.0	0.0%
74000 Commodities	647.8	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	1,634.5	1,647.8	1,647.8	1,647.8	1,647.8	0.0	0.0%
Fund Sources:							
1076 Marine Hwy (DGF)	1,634.5	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)	1,634.5	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 FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 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 FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		1,647.8	0.0	549.4	670.0	428.4	0.0	0.0	0.0	0	0	0
***** Changes From FY2012 Management Plan To FY2013 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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		176.2	549.4	549.4
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			176.2	549.4	549.4
72100	Instate Travel	Travel for vessel crews during annual overhaul of vessels.	146.3	325.0	325.0
72400	Out Of State Travel	Out of State travel for vessel crews during annual overhaul of vessels.	29.9	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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services		810.5	670.0	670.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			810.5	670.0	670.0
73150	Information Technlgy	Represents a broad range of data processing, telecommunications and communications services.	0.0	1.0	1.6
73156	Telecommunication	Local phone service, long distance charges, cellular phones, satellite and internet services.	0.4	0.5	0.5
73175	Health Services	Medical tests for vessel overhaul crews.	1.2	1.5	1.6
73225	Delivery Services	Freight for parts shipments.	2.3	2.5	4.0
73525	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	2.6	2.5	1.0
73650	Struc/Infstruct/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	182.8	80.0	80.0
73675	Equipment/Machinery	Repair and inspection of vessels in shipyard including all forms of USCG and ABS 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, HVAC system cleaning, deck equipment, superstructure painting, steel and piping repairs, electrical and galley repairs, regulatory inspection work, and main and auxiliary engine repairs.	619.3	579.9	578.2
73750	Other Services (Non IA Svcs)	Costs of equipment and vehicle rentals during the vessels annual overhaul.	1.8	2.0	3.0
73819	Commission Sales (IA Svcs)	State Travel Office Processing fees charged by the State Travel Office.	0.1	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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		647.8	428.4	428.4
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			647.8	428.4	428.4
74200	Business	General business supplies, furniture and equipment.	1.8	2.0	2.5
74480	Household & Instit.	General cleaning supplies.	3.8	5.0	5.0
74520	Scientific & Medical	Industrial chemicals and testing supplies.	0.0	0.4	0.4
74600	Safety (Commodities)	First aid and search and rescue supplies.	22.5	23.0	24.0
74650	Repair/Maintenance (Commodities)	Engine parts, paint and other supplies required to complete annual vessel overhauls.	597.7	376.0	374.5
74858	Other Equipment Fuel	Fuel to produce shore steam used to heat the vessel while the vessel boiler is being overhauled.	22.0	22.0	22.0

Inter-Agency Services
Department of Transportation/Public Facilities

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel Office.	Inter-dept	State Travel Office	0.1	0.1	0.1
				73819 Commission Sales (IA Svcs) subtotal:	0.1	0.1	0.1
				Overhaul total:	0.1	0.1	0.1
				Grand Total:	0.1	0.1	0.1