

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

SEC. 3.01 SCOPE OF WORK

DOT&PF requires an economic consultant working with a marine consultant and possibly a marine vessel broker. While the Governor's memo and the change records give the example of a public/private partnership, there are many other organizational changes as well as policy changes that could result in lower general fund AMHS costs. The Department has identified the following list of options to be considered during the performance of this contract. Prospective offerors should consider, at a minimum, the following options or some combination thereof:

1. Reshape the entire AMHS operation by selling or giving all vessels and terminals to a private entity to run whatever service they can justify economically.
2. Reshape parts of the AMHS by selling or giving some vessels and terminals for the specific purpose of providing service to certain communities, for example communities that are not on the National Highway System (NHS).
3. Transfer AMHS assets to a public corporation that would provide service based on a fixed or zero General Fund amount. The corporation board would set service levels, fares and employee pay.
4. Lease vessels and terminals to a private entity, public corporation or non-profit entity to run as a for-profit business with the state responsible only for vessel and terminal overhaul and refurbishment.
5. Sell or lease vessels to a private entity, public corporation or non-profit entity while retaining the terminals as a state asset. There are examples of this in other states whereby the terminals are still eligible for federal aid.
6. AMHS continues as a state entity but is directed by the Legislature to drop or reduce specific high cost, low volume runs on the assumption that these communities would be serviced by the private sector with its own equipment. AMHS would sell vessels not needed to provide the remaining reduced responsibility.
7. AMHS continues as a state entity but contracts out for service to lower volume expensive routes on the basis that a private entity would use smaller vessels and less expensive crews. Vehicle and passenger service could be provided by different vessels. Current marine union contracts already allow this for Pelican, Gustavus, Hoonah, Angoon, Tenakee, and Kake.
8. Privatize all or some onboard passenger services: stateroom housekeeping, meal service, bars, gift shops, etc., to include consideration of novel freight delivery concepts such as small freight modules shipped aboard vessels without being loaded onto trailers or vehicles.
9. Implement further fare increases, including across the board increases, increases on more expensive runs, demand pricing for high demand periods or events, demand pricing based on percent of remaining vessel capacity, etc.
10. Legislature-directed renegotiation of marine union contracts to reduce vessel operation costs.

The Department is seeking the best options or combination of options to reduce the financial obligation of the AMHS in an effort to minimize the costs. The ten bullets identified above encompass some options but are not intended to be the sole options the State will consider in order to achieve the goal of reducing the costs associated with administering the AMHS.