CITY OF CORDOVA, ALASKA
RESOLUTION 03-11-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, SUPPORTING LEGISLATION THAT WOULD AMEND THE ALASKA LITTLE DAVIS BACON ACT TO INCREASE THE MINIMUM THRESHOLD OF CONTRACTS SUBJECT TO THE ACT AND TO DEFINE MAINTENANCE PROJECTS NOT SUBJECT TO THE ACT

WHEREAS, the Alaska Little Davis Bacon Act (ALDBA), codified at Alaska Statutes 36.05.010 -.900, requires contractors and subcontractors that work on public construction contracts totaling more than $2,000 to pay the prevailing wage rates and fringe benefits for similar work and to comply with significant paperwork and reporting requirements; and

WHEREAS, the $2,000 ALDBA minimum threshold has not been adjusted for many years; and

WHEREAS, this $2,000 minimum threshold establishes such a low threshold that the size of a project does not justify the reporting and other paperwork costs associated with compliance; and

WHEREAS, in most rural Alaskan communities no public construction project costs less than $2,000 due to mobilization costs, which means fewer public construction projects are bid out as this higher cost of complying with the ALDBA leaves less public funds available for other projects; and

WHEREAS, increasing the minimum threshold of the ALDBA would be consistent with the original reason for placing a minimum threshold within the act, which was to allow smaller public construction projects to proceed without the additional costs and burden of the extensive paperwork and reporting requirements associated with complying with the ALDBA; and

WHEREAS, the public interest would best be served by increasing the floor of the ALDBA as it would enable local governments to complete small construction projects at a lower cost rather than postponing them indefinitely until they are able to obtain sufficient funds to comply with the ALDBA requirements; and

WHEREAS, while the ALDBA does not govern contracts for public maintenance, the act does not define public maintenance or clarify what projects are considered maintenance rather than construction; and

WHEREAS, amending the ALDBA to clearly define public maintenance as distinguished from public construction would help to minimize conflicts and confusion regarding the application of the ALDBA, decreasing costs incurred by all involved parties and agencies; and

WHEREAS, the Alaska Municipal League adopted a resolution requesting the state legislature to increase the ALDBA minimum threshold, and to define public maintenance in contrast with the definition of public construction in this ALDBA; and

WHEREAS, HB155 has been introduced into the State Legislature to accomplish this same purpose; and

WHEREAS, adoption of this proposed legislation would be consistent with the experiences of most other states, as several other states have repealed their state Little Davis Bacon Acts and most of the remaining states have modified their Little Davis Bacon Acts to increase the floor or clarify the definitions of construction versus maintenance.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, hereby supports legislation to amend AS 36.05.070 to increase the minimum threshold of contracts subject to the Little-Davis Bacon Act, and to define maintenance projects not subject to the Act.

PASSED AND APPROVED THIS 10th DAY OF MARCH, 2011

Dave Reggiani, Vice Mayor

CITY OF CORDOVA CORPORATE SEAL JULY 8, 1909 ALASKA

ATTEST:

Susan Bourgeois, City Clerk