

*Mr. Erhart
Alaska General*

Mr. G. M. Williams

August 15, 1957

M. S. Christensen

Contract and Force Account Construction in Alaska

One of the subjects discussed with Mr. Swick, Mr. Niemi and other Region 10 personnel while Mr. Palmer, Mr. Wall and I were in Alaska in July was that of contract versus force account construction.

During past years the Alaska Road Commission has done considerable force account construction, primarily on minor roads and stage construction, but also to a limited extent on construction of major roads to final standards. It is understood that the Region 10 staff had been previously informed that it would be the Washington office policy to discontinue the force account method of construction and substitute the contract method to the maximum extent feasible to do so.

Experience has quite fully demonstrated the relative economy and other advantages of the contract method of construction in the States under most conditions. It is recognized, nevertheless, that there are some conditions in the States under which the force account method is not only justified but in the public interest. The stated policy relative to substitution of contract for force account construction in Alaska is undoubtedly correct for general application. There are a number of reasons, however, why the policy should not be suddenly, indiscriminately or universally applied.

There is no apparent reason why all of the construction work remaining to be done on the existing major highways (primary, Class A secondary and Forest highways) should not be performed by contract. On reconstruction or improvement of minor roads and stage construction of new roads in virgin territory the force account method might be preferable under certain conditions for the reasons discussed below.

1. The Bureau of Public Roads, as successor to the Alaska Road Commission, is at present the only public agency - Federal or Territorial - that is equipped, staffed and organized to perform highway construction work. Furthermore, it has practically all the publicly-owned road building equipment and facilities in the Territory. The larger cities have some equipment of this type. The Bureau is therefore constantly called upon to perform construction work for other Federal agencies, the Territory, and the cities and has at some time performed such work on a reimbursable basis for practically every public agency in the Territory. The work performed is generally rather minor in nature and consists largely of improvements to short sections of existing roads or

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the construction of short extensions to such roads as desired for access to homestead sites and real estate developments. In some instances the work has consisted of such things as grading for new airports and excavating for hospital sites. Much of the work is done in isolated areas where there are no private contractors and to which contractors from other areas could not be attracted for such small amounts of work.

Under the circumstances the Bureau is almost compelled to retain sufficient equipment, manpower and facilities to be in a position to perform these minor construction jobs for other agencies as a public service until such time as the Territory or some other agency is in a position to take over the function. It is therefore in the public interest to provide sufficient force account work to keep the construction organizations productively busy when not occupied with work for other agencies.

2. In some areas, such as at Hams, a large proportion of the Bureau's equipment operators and other skilled and unskilled workmen are Indians or other permanent residents of the small communities where the Bureau's road construction operations are a major source of employment and income. If the force account method of construction were to be discontinued and the work let to contract instead, it is quite likely that the contractors, particularly those hiring union labor, exclusively, would import most of their labor, especially in the skilled classification, from the States or other parts of the Territory. This would leave the present local workmen without employment and might seriously affect the economy of these small communities and cause some of the Indians to revert to dependents of the Government.

3. In interior Alaska, ^{the} ground is underlain with permafrost only a few inches below the surface, which if disturbed will cause serious construction and maintenance difficulties. Where permafrost does not exist, or is not close enough to the surface to cause trouble, the natural material is largely silt which is a relatively poor road-building material. There are, however, scattered areas where gravel or other better roadbuilding materials occur. Under conditions such as these, pioneer road construction consists largely of exploratory work to disclose the permafrost areas and the localities where the best materials exist, then constructing the pioneer road in the location that will take most advantage of the better soil conditions. This type of construction work is not adapted to preparing plans and specifications for contracting on the basis of competitive bidding with payment to be made at unit prices. Contracting on the basis of competitive bids for rental of equipment with operators by the hour is being considered.

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It might be difficult, however, to arouse the interest of adequately equipped contractors in such work, especially inasmuch as it is generally located in rather isolated and uninhabited areas.

4. There are not sufficient actual data available at present to clearly establish the relative economy of the contract and force account methods of construction under comparable conditions in Alaska. It is quite possible that the force account method is considerably more economical and otherwise advantageous under certain conditions than the contract method would be.

5. The Bureau already has a considerable investment in construction equipment units in Alaska and this equipment should continue to be utilized throughout its useful and economical life.

On the other hand, there are some definite advantages to be gained by curtailing force account construction and substituting contract construction quite aside from any question of relative economy. One of these would be reduction in the personnel, subsistence and equipment problems. Another would be the possible encouragement given to the development of local small contracting organizations that might eventually become sufficiently well established, equipped and financed to provide competition for the few major contractors, mostly from the States, who now quite largely dominate the contract construction field in Alaska.

With respect to the paragraph above numbered 3, much of the exploratory work involved in finding the locations of the best road-building materials and in disclosing the locations of permafrost and other conditions to be avoided as much as possible, can be accomplished satisfactorily at relatively low cost by aerial survey methods. The Region 10 engineers are planning on making extensive use of aerial surveys for such purposes. It might be that by this means, it will be feasible to determine the best locations for the roads and provide the necessary plans for construction by contract to final standards without the necessity of force account construction of pioneer roads for exploratory purposes.

MEChristensen:lms

cc - Mr. Turner
Mr. Swick
Mr. Erhart ✓
Mr. Fish
Mr. Palmer
Mr. Christensen
Mr. Williams

23-10

BUREAU OF PUBLIC ROADS

Mr. Paul F. Royster

August 15, 1957

Eric E. Erhart

Following are some of the highlights of Alaskan problems discussed with Mr. Christensen on August 14:

We are now issuing instructions to Mr. Swick regarding monthly inspection reports required in this office.

Mr. Swick has need for an office engineer familiar with both Federal-aid and Forest highway procedures in order that he can be relieved of details and procedural matters.

We will examine Policy and Procedure Memorandum 25-2 which covers procedure for Forest highway PS&E and determine what changes are necessary to make it adaptable for use in preparation of all PS&E work in Alaska.

Policy and Procedure Memorandum 21-6.4 which in effect adopts our Forest highway PPM on construction to Federal-aid work in Alaska is now on the Administrator's desk for approval. A preliminary draft was handed to Mr. Swick by Mr. Christensen.

Procedure regarding systems and programs for Forest highways have already been issued and should require no further explanation or modification to serve the needs in Alaska. Instructions regarding Federal-aid systems and programing (handled by engineering) would also be of assistance to Mr. Swick.

We have also advised Mr. Swick regarding procedures in handling Park programs.

Mr. Christensen was of the opinion that all new work and extensive reconstruction of old roads was being, or will be, designed to adequate standards. Revision in current practice of windrowing clearing debris along the sides of the road is very desirable.

It appears that there is nothing to be gained by asking the Territorial Board to approve the PS&E for Federal-aid projects. The General Counsel's Office is being asked for opinion on this matter.

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We have taken up the subject of a short form agreement for use in Alaska covering the cases where we undertake work for other agencies. Regardless of the form used, the Washington office should be furnished with a copy.

There will apparently be ample justification for continuing force account construction on certain types of projects since in some areas and for certain kinds of work there is no chance of attracting bidders. Information to justify the authorization of force account work should be made available however, for both the regional office and this office, in order to answer inquiries and criticisms regarding force account work.

Mr. Christensen pointed out the need for new maintenance equipment, particularly snow plows. He mentioned the need for standardization in order to simplify the stocking of spare parts.

Apparently the Alaska Office is proceeding with the policy which requires the bid guaranty to accompany the bid if the bid is to be read.

We will ask Region 9 to furnish Mr. Swick with information pertaining to experience gained in that region with equipment rental contracts on low standard roads.

Mr. Christensen will try to furnish additional information soon based on his observations while in Region 10 last month.

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cc - Federal Domain Hwys. Div. ✓

*Mr. P. F. Royster
Rm 6046*

Mr. E. H. Swick, Regional Engineer
Juneau, Alaska

August 29, 1957

EE

G. M. Williams, Assistant Commissioner J. Barnett
Washington, D. C.

Procurement of Excess Property in Alaska

When Mr. Christensen was in Region 10 last month, a question arose regarding whether Public Roads can procure excess government-owned property in Alaska without signing a so-called "pauper's oath" statement that it has no funds with which to purchase such property. This question has been discussed with the General Services Administration and with Mr. Barker and the correct situation is as follows:

The Bureau of Public Roads, or any other Federal agency, may obtain excess government-owned property upon payment of whatever price is set by General Services Administration as the "fair value" of the excess property. No "pauper's oath" statement is required under such circumstances. The fair value set by General Services Administration is on the basis of a percentage of the original acquisition cost and varies according to the condition of the property at the time it is declared excess. In many cases the fair value is indicated as zero and in such instances the property can be obtained by any Federal agency free of charge and without the "pauper's oath" statement.

When the "fair value" set by General Services Administration is greater than zero and the property is desired by a Federal agency actually having no funds for purchase of such property, the property can be obtained free of charge by the agency upon submission of the "pauper's oath" certificate. Inasmuch as Public Roads does have funds that can be used for procurement of property when needed, this latter procedure should not be used.

MBChristensen/nc

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Reg Engr

Mr G.M.Williams

Mr M.B.Christensen-Rm 4032

Mr C.F.Barker-Rm 5030

Mr P.F.Royster-Rm 6046 ✓

Mr J.L.Palmer-Rm 4032

EEG
 H. Kinnard

Mr. M. B. Christensen

August 27, 1957

John L. Palmer *JLP*

Alaska Highway Connection to Stewart, B. C.

According to Engineering News-Record (August 8, 1957) a highway from Cassiar to Stewart, B. C., will be subsidized by the Canadian Federal government during the next 4 years. Cost of the highway is estimated at \$6 million and "will open up the province north of the Alaska panhandle and connect with the sea and the Alaska Highway." (Cassiar is located approximately midway between Dease Lake and Lower Post.)

The construction of this route may be helpful to Swick in negotiating for Canadian maintenance of the Forest routes in Alaska in the vicinity of Hyder.

JLPalmer/nc

cc: Mr Turner

Mr Royster-Mr Erhart ✓

Mr Williams

RECEIVED
 AUG 29 1957
 BUREAU OF PUBLIC ROADS
 WASHINGTON, D. C.

X Alaska General ✓

X Resume Book - Awards

See Bids and Bidders (Resume Book) for memo. of August 26, 1957,
Enfield to Swick re: Bid guaranty - PPM 25-5 -

The problem of the bid guaranty being received separately from the
bid seems to be largely localized to Alaska work.

Alaska General

~~Mr. [unclear]~~
& Maint Equip.(also see memo 8/15 - Chris.
to Wms.)

August 12, 1957

Mr. G. H. Williams

MPC
Mr. S. Christensen**Maintenance equipment and shop facilities in Alaska**

In the course of our travels in Alaska from July 5 to July 17, inclusive, Mr. Palmer, Mr. Wall and I, accompanied by Mr. Swick and Mr. Niemi, visited nearly all of the Bureau shops and camps and most of the active maintenance and force account construction projects. We therefore saw much of the available construction and maintenance equipment (other than winter maintenance equipment) in action and were able to make a general inspection of most of the other equipment and of the repair and storage facilities at Juneau, Fairbanks, Birch Lake, Big Delta, Tok, Glenn, Valdez, Glennallen, Thompson Pass, Anchorage, Homer, Seldovia and Nome.

Quite a number of the shop and storage buildings are almost new. These are well designed, constructed and equipped to serve their purpose except that it would be better if some of the buildings were a little larger. Other buildings are rather old and not well suited to the needs. These buildings should be replaced, renovated or rehabilitated for functional, appearance and preservation reasons.

It is very important that adequate shop and storage facilities be provided and maintained at suitable and readily accessible points throughout the territory for a number of reasons. Commercial facilities for repair and overhaul of the larger and less common types of construction and maintenance equipment are practically non-existent in the Territory. There are some commercial facilities for light equipment of the more common makes but these are located only in the larger cities and therefore are far removed from many of the localities where construction or maintenance work is carried on. In some cases there is no travelable road between the available commercial facilities and the locations of construction and maintenance work. Nome, for example, is accessible from the States and the other parts of Alaska only by air except for infrequent boats during the summer months.

The situation with respect to repair parts and replacement units, such as tires, batteries and grader blades, is to some extent similar to that for commercial repair facilities. Consequently, it is essential that most of the Bureau shops and camps maintain a considerable supply of repair parts and replacement units to permit keeping the equipment in working order. Because of the numerous different types, makes, models and sizes of equipment in use, the

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