

**ALASKA STATE LEGISLATURE  
LEGISLATIVE COUNCIL**

**MAY 06, 2019  
12:00PM**

**MEMBERS PRESENT**

Senator Gary Stevens, Chair  
Representative Louise Stutes, Vice Chair  
Senator John Coghill  
Senator Mia Costello  
Senator Cathy Giessel  
Senator Lyman Hoffman  
Senator Bert Stedman  
Senator Natasha von Imhof  
Representative Bryce Edgmon  
Representative Neal Foster  
Representative Chuck Kopp  
Representative Steve Thompson  
Representative Tammie Wilson

**MEMBERS ABSENT**

Representative DeLena Johnson

**OTHER MEMBERS PRESENT**

**AGENDA**

APPROVAL OF MINUTES  
RATIFICATION OF CHARITY EVENTS  
COMMITTEE BUSINESS  
CONTRACT APPROVALS

**SPEAKER REGISTER**

Jessica Geary, Executive Director, Legislative Affairs Agency  
JC Kestel, Procurement Officer, Legislative Affairs Agency  
Tim Banaszak, IT Manager, Legislative Affairs Agency

[12:00:31 PM](#)

**I. Call to Order**

CHAIR STEVENS called the Legislative Council meeting to order at 12:00pm in the Senate Finance Committee Room. Present at the call were: Senators Coghill, Costello, Giessel, Hoffman, Stedman, von Imhof, Stevens; Representatives Edgmon, Foster, Stutes Thompson, Wilson. Representatives Johnson and Kopp were absent.

12 members present.

**II. Approval of Minutes**

**April 11, 2019**

[12:01:38 PM](#)

VICE-CHAIR STUTES moved and asked unanimous consent that Legislative Council approve the minutes dated April 11, 2019, as presented.

CHAIR STEVENS asked if there were any corrections or additions. Seeing no objections, the minutes are approved.

**III. Ratification of Charity Events**

**Second Annual "Flying through Time" Silver Gala**

[12:01:56 PM](#)

VICE-CHAIR STUTES moved and asked unanimous consent that Legislative Council ratify the Chair's sanctioning of the following charitable events per AS 24.60.080 (a)(2)(B): the Second Annual "Flying through Time" Silver Gala.

CHAIR STEVENS objected for purposes of discussion. He reminded members that he sanctioned this event and verified it is a 501(c)(3) organization. He asked if there was discussion. Seeing none, he removed his objection and that event is ratified.

Representative Kopp joined the meeting at 12:02pm.

**IV. Committee Business**

**a. Per Diem Budget Transfer**

[12:02:49 PM](#)

VICE-CHAIR STUTES moved that Legislative Council approve a transfer in the amount of \$292,284 from the Salaries and Allowances allocation to Senate Per Diem/30-Day Extended Session allocation (\$97,260) and House Per Diem/30-Day Extended Session allocation (\$195,024); and that any unexpended funds be transferred back to Salaries and Allowances.

CHAIR STEVENS objected for purposes of discussion and asked Ms. Geary to please explain.

JESSICA GEARY, Executive Director, Legislative Affairs Agency, said the per diem was moved into separate components and allocations a couple fiscal years ago and that makes transferring funds very difficult. This transfer will allow us to pay the session per diem. We have corrected this for FY20 so this should not be a problem going forward. Usually it could just be an accounting function, but we are prohibited from transferring funds between appropriations which is why this is necessary.

CHAIR STEVENS said so we are transferring an additional ten days just in case, but if that is not needed it will be moved back. He asked if there were questions or discussion. Chair Stevens removed his objection and requested a roll call vote.

YEAS: Senators Coghill, Costello, Giessel, Hoffman, Stedman, von Imhof; Representatives Edgmon, Foster, Kopp, Thompson, Wilson, Vice-Chair Stutes, Chair Stevens.

NAYS: None

The motion passed 13-0.

## **V. Contract Approvals**

### **a. ITB 633 Terry Miller Building Retaining Wall Cap & Rail**

[12:05:16 PM](#)

VICE-CHAIR STUTES moved that Legislative Council approve the award of ITB 633 to Carver Construction, LLC, for a total contract price of \$132,739.00 out of existing capital funds.

CHAIR STEVENS objected for purposes of discussion and asked JC Kestel to come forward and provide a brief explanation of this project.

JC KESTEL, Procurement Officer, Legislative Affairs Agency, replied that on February 26, 2019, the Legislative Affairs Agency issued ITB 633 to solicit bids from general construction contractors to perform the Terry Miller Legislative Office Building retaining wall cap and rail project. The ITB was published on the State of Alaska's online public notices site and with The Plans Room, an Alaskan resource for the commercial contracting industry.

ITB 633 closed on March 25, 2019. Four proposals were received and opened from: Carver Construction LLC; Dawson Construction LLC; Silver Bow Construction Company; and Alaska Commercial Contractors, Inc. The bidder with the lowest total bid price was Carver Construction LLC, with a total price of \$132,739.00. A bid abstract is attached.

Based on the above information, the Agency recommends the award of ITB 633 to Carver Construction, LLC, in the amount of \$132,739.00.

Mr. Kestel continued he would be happy to answer any questions about the ITB process, and John Cayce, Project Director and Capitol Building Manager is available to answer any questions regarding the project.

CHAIR STEVENS noted that members are familiar with the Request for Proposal (RFP) process, but asked Mr. Kestel to please explain for the record what ITB stands for and how that process works.

MR. KESTEL responded that ITB stands for Invitation to Bid, where the lowest bidder is the winner. With an ITB, it is known what needs to be purchased, versus a Request for Proposal (RFP) where proposals are sought on how best to accomplish the project. An RFP process is reviewed through a Proposal Evaluation Committee (PEC) that grades each proposal to determine who is selected, versus an ITB which just goes to the lowest bidder.

CHAIR STEVENS asked if there was discussion.

SENATOR COGHILL asked how the timing of this project would coincide with the window project.

MR. KESTEL responded that the window and exterior renovation project is scheduled to start in early July, with the South face of the Terry Miller building completed first. Once the South face is completed, the retaining wall project will start, which is anticipated to be mid-August.

CHAIR STEVENS saw no further questions, removed his objection, and requested a roll call vote.

YEAS: Senators Coghill, Costello, Giessel, Hoffman, Stedman, von Imhof; Representatives Edgmon, Foster, Kopp, Thompson, Wilson, Vice-Chair Stutes, Chair Stevens.

NAYS: None

The motion passed 13-0.

**b. Bethel Office Space Renewal**

[12:09:37 PM](#)

VICE-CHAIR STUTES moved that Legislative Council approve renewal No. 2 of the lease for Bethel Office Space in the amount of \$80,450.16.

CHAIR STEVENS objected for purposes of discussion and asked JC Kestel to provide a brief explanation.

MR. KESTEL said the original lease agreement between the Legislative Affairs Agency and Tunista, Inc. for office space in Bethel, was for a three-year term that began July 1, 2015, and terminated June 30, 2018. There were three lease renewals available under the original lease agreement, each for a one-year period. One of the renewal options has been exercised.

Renewal No. 1 of the lease expires on June 30, 2019. We would like approval to proceed with Renewal No. 2 for the period July 1, 2019, through June 30, 2020.

If Legislative Council approves Renewal No. 2, this will leave one more renewal of the lease available before we must issue a bid or do a lease extension.

This lease exceeds \$35,000 in one fiscal year; therefore, Legislative Council's approval is required.

CHAIR STEVENS thanked Mr. Kestel for the information and noted that Senator Hoffman, an occupant of the Bethel space, is present.

REPRESENTATIVE WILSON asked does this lease include utilities or is it just the space?

MR. KESTEL responded, yes, this lease renewal does include utilities.

REPRESENTATIVE WILSON followed up to ask, besides Senator Hoffman, who else uses this space? Is there one LIO staff there?

MR. KESTEL responded that occupants are: Senator Hoffman; Representative Zulkosky; and one LIO staff.

CHAIR STEVENS said seeing no further comments, he removed his objection and requested a roll call vote.

YEAS: Senators Coghill, Costello, Giessel, Hoffman, Stedman, von Imhof; Representatives Edgmon, Foster, Kopp, Thompson, Wilson, Vice-Chair Stutes, Chair Stevens.

NAYS: None

The motion passed 13-0.

**c. FY20 Microsoft Enterprise Software Renewal**

[12:12:33 PM](#)

VICE-CHAIR STUTES moved that Legislative Council authorize the Microsoft FY20 licensing payment to Software House International for \$144,402.52.

CHAIR STEVENS objected for purposes of discussion and asked Tim Banaszak to provide a brief explanation.

TIM BANASZAK, IT Manager, Legislative Affairs Agency, said what is before members is the annual payment for the Microsoft software licensing.

In 2018, Legislative Council approved the first installment for the State of Alaska's three year contract with Software House International (SHI), which provides Microsoft products, including Windows 10, Windows server operating systems, and the Office software suite (Word, Excel, Outlook, PowerPoint, Skype for Business, OneNote, Publisher and Access database). This is the second installment of that agreement, reviewed by the IT Subcommittee that recommends Legislative Council approval.

The State of Alaska's Executive branch hired a third-party negotiator when this contract was signed, to look at other states and ensure the State was getting the best pricing for this contract; all three branches in Alaska (legislative, executive, judicial) get to take advantage of this.

I also want to acknowledge Doug Letch, staff to Senator Stevens, who helped coordinate the IT Committee and agenda, which was very helpful.

This agreement also provides licensing to operate critical infrastructure systems including Windows operating system, server, databases, BASIS network, websites, public internet, and the intranet. Something extremely helpful under this agreement is we now have more email storage up to 100GB per mailbox, unlimited archiving and protected OneDrive file sharing, software licensing and collaboration for mobile devices.

Finally, it provides software assurance which safeguards the applications, operating systems, and databases by providing the most current security updates and software versioning.

This renewal, which begins July 1, 2019, provides the benefits of reduced-volume pricing, enhanced technical support, regular software upgrades, and training for technical and non-technical staff.

The Legislature's portion of the agreement for FY2020 is \$144,402.52, which is budgeted under the Administrative Services allocation and requires Legislative Council's approval. If this request were not approved, the Legislature would no longer have access to email, Microsoft Office software and critical infrastructure systems would be exposed to internet exploits on July 1, 2019.

REPRESENTATIVE WILSON asked for clarification. If the Legislature purchases this, then other branches of government use this service for free?

MR. BANASZAK apologized for perhaps not articulating that correctly. The Executive branch created a master contract with Microsoft that allows them to purchase licenses for their branch under that discounted price structure for government entities. We purchase our licenses for the Legislature under that master contract, but we pay for our services.

SENATOR HOFFMAN asked where this software is used and if it is used in LIOs statewide.

MR. BANASZAK replied, yes, anytime a legislative computer anywhere is turned on, this software must be in place in order to communicate... this software is heavily used by LIOs.

CHAIR STEVENS said seeing no further comments, he removed his objection and requested a roll call vote.

YEAS: Senators Coghill, Costello, Giessel, Hoffman, Stedman, von Imhof; Representatives Edgmon, Foster, Kopp, Thompson, Wilson, Vice-Chair Stutes, Chair Stevens.

NAYS: None

The motion passed 13-0.

## **VI. Adjourn**

CHAIR STEVENS said if there is nothing further to come before the Council, we are adjourned.

[12:19:04 PM](#)