

April 1, 2010

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, Alaska 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, Alaska 99801-1182

RE: Questions regarding CSHB 225(FIN) relating to State Procurement

Dear Representative Hawker and Stoltze:

In response to questions from House Finance during our testimony on HB 410, Representative Fairclough specifically, regarding how CSHB 225(FIN) would affect the investments of the Alaska Industrial Development and Export Authority (AIDEA), we offer the following as it relates to AIDEA's investment securities and investments in projects:

AIDEA's investment powers are established in AS 44.88.060 and AS 37.10.071 with respect to the investment of amounts held in the Revolving Fund. Under AS 36.30.850(b)(13) and AS 36.30.850(b)(15), purchases of income-producing assets and investment powers are already exempt from the procurement code. The proposed change to the procurement code under HB 225 does not affect this; therefore there would be no change to AIDEA's investment powers.

Under HB 225, generally (assuming no specific statutory exemption), AIDEA's Development Projects will continue to be subject to competitive bidding and competitive proposals, requiring Little Davis Bacon where applicable. The primary difference created by HB 225 is procurement authority, which comes from the Board of the Authority to the Executive Director, versus the Commissioners of the Department of Transportation and Public Facilities and/or the Department of Administration.

Per the proposed legislation, AIDEA will "adopt regulations that reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate in the procurement process."

Please feel free to contact me if you have further questions.

Sincerely,

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY



Ted Leonard
Executive Director