

# Procurement Preference: Agriculture and Fish Products House Bill 60



**Deputy Commissioner Anna Latham**

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

House Labor & Commerce Committee

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## Current Procurement Code

- AS 36.15.050 and AS 29.71.040 require the use of local agricultural and fisheries products by state agencies, school districts, and municipalities that receive state money
- Current statute requires agricultural and fisheries products harvested in the state:
  - Shall be purchased if the product is priced not more than seven percent above a similar product harvested outside the state
  - May be purchased if the product is priced not more than 15 percent above a similar product harvested outside the state



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# Current Purchasing Process

- The DOA Office of Procurement and Property Management administers a statewide contract with US Foods (Mandatory for the Department of Corrections and Non-mandatory for all others)
- Local growers register and indicate the products they can provide
- State agencies set up a corporate account with vendor
- Once they've set up an account, there is an option to select Alaska Grown Products
- These are online mobile markets that display Alaska products
- State buyers such as the Department of Corrections and AMHS purchase products based on price after the application of preferences



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# What Does House Bill 60 Do?

- Increases allowable price differentials for state agencies, school districts, and municipalities to purchase more Alaskan agricultural and fisheries products
- Changes the purchase price differential for required in-state purchases from seven percent to ten percent
- Changes the purchase price differential for permissible in-state purchases from 15 percent to 25 percent
- Incentivizes more production of Alaska-grown agricultural and Alaska fisheries products by providing access to institutional markets



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# Discussion of State Procurement Data

Purchasing Entity	Alaska Grown	Non-Alaska Grown	Total Spend	% of Total Spend	Alaska Grown % of Total Spend
DCCED-ASMI	\$117,667		\$117,667	0.67%	100%
DFCS		\$509,684	\$509,684	2.93%	
DMVA		\$874,202	\$874,202	5.03%	
DNR		\$107,808	\$107,808	0.62%	
DOC	\$117,643	\$13,288,927	\$13,406,570	77.17%	0.88%
DOLWD	\$7	\$222,583	\$222,590	1.28%	0.0032%
DOT&PF	\$1,178	\$1,987,707	\$1,988,884	11.45%	0.059%
Polisubs		\$263,733	\$263,733	1.52%	
<b>Totals</b>	<b>\$236,495</b>	<b>\$17,254,644</b>	<b>\$17,491,139</b>		<b>0.014%</b>



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# Thank you

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