

**SENATE BILL NO. 12**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY SENATORS FAIRCLOUGH, Giessel, McGuire, Huggins, Kelly, Dyson, Meyer, Micciche, Gardner, Bishop, Egan, Dunleavy, Stevens, Wielechowski

Introduced: 1/16/13

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to state and public entity procurement, including the State  
2 Procurement Code, procurement preferences, contract awards, the use of small  
3 procurement provisions for certain amounts of leased space, the Alaska business license  
4 requirement for Alaska bidder and other procurement preferences, the proof of  
5 registration of construction contract bidders and offerors, the establishment and  
6 maintenance of lists of persons who want to provide supplies or services to the state,  
7 state agencies, and state instrumentalities, electronic bids and proposals, the chief  
8 procurement officer, small procurements, and writings; relating to the meaning of  
9 'Alaska bidder'; and providing for an effective date."

10 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

11 \* **Section 1.** AS 24.55.275 is amended to read:

12 **Sec. 24.55.275. Contract procedures.** The ombudsman shall adopt by

1 regulation procedures consistent with AS 36.30 to be followed by the office of the  
2 ombudsman in contracting for services. However, the procedure for requests for  
3 proposals does not apply to contracts for investigations under AS 24.55.100, and the  
4 office of the ombudsman shall comply with **the five percent preference under**  
5 **AS 36.30.321(a)** [AS 36.30.170(b)].

6 \* **Sec. 2.** AS 36.15.050(a) is amended to read:

7 (a) When agricultural products are purchased by the state or by a school  
8 district that receives state money, **a seven percent preference shall be applied to the**  
9 **price of the products harvested in the state** [ONLY AGRICULTURAL  
10 PRODUCTS HARVESTED IN THE STATE SHALL BE PURCHASED  
11 WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS  
12 HARVESTED OUTSIDE THE STATE, AVAILABLE, AND OF LIKE QUALITY  
13 COMPARED WITH AGRICULTURAL PRODUCTS HARVESTED OUTSIDE  
14 THE STATE].

15 \* **Sec. 3.** AS 36.15.050(b) is amended to read:

16 (b) When fisheries products are purchased by the state or by a school district  
17 that receives state money, **a seven percent preference shall be applied to the price**  
18 **of the products harvested or processed within the jurisdiction of the state** [ONLY  
19 FISHERIES PRODUCTS HARVESTED OR PROCESSED WITHIN THE  
20 JURISDICTION OF THE STATE SHALL BE PURCHASED WHENEVER PRICED  
21 NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OR  
22 PROCESSED OUTSIDE THE JURISDICTION OF THE STATE, AVAILABLE,  
23 AND OF LIKE QUALITY COMPARED WITH FISHERIES PRODUCTS  
24 HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE  
25 STATE].

26 \* **Sec. 4.** AS 36.15.050 is amended by adding a new subsection to read:

27 (h) A bidder receiving a preference under this section may not receive a  
28 preference under AS 36.30.322.

29 \* **Sec. 5.** AS 36.30.010(d) is amended to read:

30 (d) The annual salary of the chief procurement officer is range **25** [27] of the  
31 salary schedule established in AS 39.27.011.

1 \* **Sec. 6.** AS 36.30.015(e) is amended to read:

2 (e) The board of directors of the Alaska Railroad Corporation and the board of  
3 directors of the Alaska Aerospace Corporation shall adopt procedures to govern the  
4 procurement of supplies, services, professional services, and construction. The  
5 procedures must be substantially equivalent to the procedures prescribed in this  
6 chapter and in regulations adopted under this chapter. Notwithstanding the other  
7 provisions of this subsection, the Alaska Railroad Corporation and the Alaska  
8 Aerospace Corporation shall comply with **the five percent preference under**  
9 **AS 36.30.321(a)** [AS 36.30.170(b)], and, when the Department of Transportation and  
10 Public Facilities authorizes the Alaska Railroad Corporation to perform construction  
11 work instead of the Department of Transportation and Public Facilities, the Alaska  
12 Railroad Corporation shall use competitive sealed bidding or competitive sealed  
13 proposals under AS 36.30.100 - 36.30.270 to procure the supplies, services,  
14 professional services, and construction services necessary for the work and, to ensure  
15 the state obtains the lowest cost for the project, may submit a bid or proposal for the  
16 work.

17 \* **Sec. 7.** AS 36.30.015(f) is amended to read:

18 (f) The board of directors of the Alaska Housing Finance Corporation,  
19 notwithstanding AS 18.56.088, the membership of the Alaska Industrial Development  
20 and Export Authority, notwithstanding AS 44.88.085, and the board of directors of the  
21 Knik Arm Bridge and Toll Authority under AS 19.75.111, shall adopt regulations  
22 under AS 44.62 (Administrative Procedure Act), and the board of trustees of the  
23 Alaska Retirement Management Board shall adopt regulations under AS 37.10.240, to  
24 govern the procurement of supplies, services, professional services, and construction  
25 for the respective public corporation and board. The regulations must reflect  
26 competitive bidding principles and provide vendors reasonable and equitable  
27 opportunities to participate in the procurement process and must include procurement  
28 methods to meet emergency and extraordinary circumstances. Notwithstanding the  
29 other provisions of this subsection, the Alaska Housing Finance Corporation, the  
30 Alaska Industrial Development and Export Authority, the Knik Arm Bridge and Toll  
31 Authority, and the Alaska Retirement Management Board shall comply with **the five**

1           **percent preference under AS 36.30.321(a)** [AS 36.30.170(b)].

2       \* **Sec. 8.** AS 36.30.015(h) is amended to read:

3           (h) The board of directors of the Alaska Seafood Marketing Institute shall  
4           adopt procedures to govern the procurement of supplies, services, and professional  
5           services. The procedures must be similar to the procedures prescribed in this chapter  
6           and in regulations adopted under this chapter, except that the Alaska Seafood  
7           Marketing Institute shall comply with **the five percent preference under**  
8           **AS 36.30.321(a)** [AS 36.30.170(b)].

9       \* **Sec. 9.** AS 36.30.020 is amended to read:

10           **Sec. 36.30.020. Legislature.** The legislative council shall adopt and publish  
11           procedures to govern the procurement of supplies, services, professional services, and  
12           construction by the legislative branch. The procedures must be based on the  
13           competitive principles consistent with this chapter and must be adapted to the special  
14           needs of the legislative branch as determined by the legislative council. The  
15           procedures must contain provisions for prohibiting procurement from a person that has  
16           headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons  
17           Report published by the United States Secretary of State under 22 U.S.C.  
18           7107(b)(1)(C). The procedures may contain provisions for restricting procurement  
19           from a person that conducts business in but does not have headquarters in a country  
20           listed in Tier 3 of the most recent Trafficking in Persons Report published by the  
21           United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must  
22           be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085.  
23           Notwithstanding the other provisions of this section, the legislative agencies subject to  
24           the legislative council's regulations shall comply with **the five percent preference**  
25           **under AS 36.30.321(a)** [AS 36.30.170(b)].

26       \* **Sec. 10.** AS 36.30.030 is amended to read:

27           **Sec. 36.30.030. Court system.** The administrative director of the Alaska Court  
28           System shall adopt and publish procedures to govern the procurement of supplies,  
29           services, professional services, and construction by the judicial branch. The  
30           procedures must be based on the competitive principles consistent with this chapter  
31           and must be adapted to the special needs of the judicial branch as determined by the

1 administrative director of the Alaska Court System. The procedures must contain  
 2 provisions for prohibiting procurement from a person that has headquarters in a  
 3 country listed in Tier 3 of the most recent Trafficking in Persons Report published by  
 4 the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures  
 5 may contain provisions for restricting procurement from a person that conducts  
 6 business in but does not have headquarters in a country listed in Tier 3 of the most  
 7 recent Trafficking in Persons Report published by the United States Secretary of State  
 8 under 22 U.S.C. 7107(b)(1)(C). The procedures must be consistent with the provisions  
 9 of AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this  
 10 section, the judicial branch shall comply with **the five percent preference under**  
 11 **AS 36.30.321(a)** [AS 36.30.170(b)].

12 \* **Sec. 11.** AS 36.30.080(f) is amended to read:

13 (f) When the department is acquiring leased space of **7,000** [3,000] square feet  
 14 or less, the department may procure the leased space using the procedures for small  
 15 procurements under AS 36.30.320, providing public notice is given to prospective  
 16 offerors in the market area.

17 \* **Sec. 12.** AS 36.30.110(b) is amended to read:

18 (b) The bidder **shall** [MUST] have a valid Alaska business license at the time  
 19 **the contract is awarded. To qualify as an Alaska bidder under AS 36.30.321, a**  
 20 **bidder shall have a valid Alaska business license at the time** designated in the  
 21 invitation to bid for bid opening. A bidder for a construction contract shall also submit  
 22 **proof** [EVIDENCE] of the bidder's registration under AS 08.18 **before the contract**  
 23 **may be awarded.**

24 \* **Sec. 13.** AS 36.30.130(a) is amended to read:

25 (a) The procurement officer shall give adequate public notice of the invitation  
 26 to bid at least 21 days before the date for the opening of bids. If the procurement  
 27 officer determines in writing that a shorter notice period is advantageous for a  
 28 particular bid and adequate competition is anticipated, the 21-day period may be  
 29 shortened. Notice shall be posted on the Alaska Online Public Notice System  
 30 (AS 44.62.175). The time and manner of notice must be in accordance with  
 31 regulations adopted by the commissioner of administration. When practicable, notice

1 may include

2 (1) publication in a newspaper calculated to reach prospective bidders;

3 **and**

4 (2) notices posted in public places within the area where the work is to  
5 be performed or the material furnished [; AND

6 (3) NOTICES MAILED TO ALL ACTIVE PROSPECTIVE  
7 CONTRACTORS ON THE APPROPRIATE LIST MAINTAINED UNDER  
8 AS 36.30.050].

9 \* **Sec. 14.** AS 36.30.170 is repealed and reenacted to read:

10 **Sec. 36.30.170. Contract award after bids.** After applying any preferences  
11 that apply under AS 36.15.050 and AS 36.30.321 - 36.30.338, a procurement officer  
12 shall award a contract based on the solicited bids with reasonable promptness by  
13 written notice to the lowest responsible and responsive bidder whose bid conforms in  
14 all material respects to the requirements and criteria set out in the invitation to bid.

15 \* **Sec. 15.** AS 36.30.210(b) is amended to read:

16 (b) An offeror for a construction contract shall submit **proof** [EVIDENCE] of  
17 the offeror's registration as a contractor under AS 08.18 **before the contract may be**  
18 **awarded**. A request for sealed proposals for a construction contract, except a design-  
19 build construction contract, must require the offeror, **not** [NO] later than five working  
20 days after the proposal that is the most advantageous to the state is identified, to list  
21 subcontractors the offeror proposes to use in the performance of the construction  
22 contract. The list must include the information required under AS 36.30.115(a). The  
23 provisions of AS 36.30.115(b) - (g) that apply to a construction contractor or an  
24 apparent low bidder apply to offerors submitting competitive sealed proposals for  
25 construction contracts, except design-build construction contracts.

26 \* **Sec. 16.** AS 36.30.210(e) is amended to read:

27 (e) The offeror **shall** [MUST] have a valid Alaska business license at the time  
28 **the contract is awarded. To qualify as an Alaska bidder under AS 36.30.321, an**  
29 **offeror shall have a valid Alaska business license at the time** designated [,] in the  
30 request for proposals [,] for opening of the proposals.

31 \* **Sec. 17.** AS 36.30 is amended by adding a new section to article 4 to read:

1           **Sec. 36.30.290. Electronic bids and proposals.** An agency may allow bids or  
 2 proposals to be submitted in electronic form under AS 09.80 (Uniform Electronic  
 3 Transactions Act).

4 \* **Sec. 18.** AS 36.30.320(a) is amended to read:

5           (a) A procurement for supplies, services, or professional services that does not  
 6 exceed an aggregate dollar amount of \$100,000 [\$50,000], construction that does not  
 7 exceed an aggregate dollar amount of \$200,000 [\$100,000], or lease of space that does  
 8 not exceed 7,000 [3,000] square feet shall [MAY] be made under [IN  
 9 ACCORDANCE WITH] regulations adopted by the commissioner for small  
 10 procurements.

11 \* **Sec. 19.** AS 36.30 is amended by adding a new section to article 5 to read:

12           **Sec. 36.30.321. Alaska bidder and related preferences.** (a) If the bidder or  
 13 offeror is an Alaska bidder, a five percent preference shall be applied to the price in  
 14 the bid or proposal.

15           (b) Except as otherwise provided in (d), (e), or (g) of this section, if a bidder  
 16 or offeror qualifies as an Alaska bidder and is offering services through an  
 17 employment program, a 15 percent preference shall be applied to the price in the bid  
 18 or proposal.

19           (c) If a bidder or offeror qualifies as an Alaska bidder and is an Alaska  
 20 domestic insurer, and if the procurement is for an insurance-related contract, a five  
 21 percent preference shall be applied to the price in the bid or proposal.

22           (d) A 10 percent preference shall be applied to a price in a bid or proposal if  
 23 the bidder or offeror qualifies as an Alaska bidder and is a

24                   (1) sole proprietorship owned by a person with a disability;

25                   (2) partnership under AS 32.06 or AS 32.11 if each of the partners is a  
 26 person with a disability;

27                   (3) limited liability company organized under AS 10.50 if each of the  
 28 members is a person with a disability;

29                   (4) corporation that is wholly owned by individuals, and each of the  
 30 individuals is a person with a disability; or

31                   (5) joint venture that is composed of ventures that qualify under (1) -

1 (4) of this subsection.

2 (e) The division of vocational rehabilitation in the Department of Labor and  
3 Workforce Development shall add to its current list of qualified employment programs  
4 a list of individuals who qualify as persons with a disability under (d) of this section.  
5 To qualify for a preference under (d) of this section, a person must be on the list at the  
6 time the bid or proposal is opened.

7 (f) If a bidder or offeror qualifies as an Alaska bidder and is a qualifying  
8 entity, a five percent preference shall be applied to the price in the bid or proposal.  
9 The preference may not exceed \$5,000. In this subsection,

10 (1) "Alaska veteran" means an individual who is both a resident of the  
11 state and a veteran;

12 (2) "qualifying entity" means a

13 (A) sole proprietorship owned by an Alaska veteran;

14 (B) partnership under AS 32.06 or AS 32.11 if a majority of the  
15 partners are Alaska veterans;

16 (C) limited liability company organized under AS 10.50 if a  
17 majority of the members are Alaska veterans; or

18 (D) corporation that is wholly owned by individuals, and a  
19 majority of the individuals are Alaska veterans;

20 (3) "veteran" means an individual who

21 (A) served in the

22 (i) armed forces of the United States, including a  
23 reserve unit of the United States armed forces; or

24 (ii) Alaska Territorial Guard, the Alaska Army National  
25 Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and

26 (B) was separated from service under a condition that was not  
27 dishonorable.

28 (g) A bidder or offeror may not receive a preference under both (b) and (d) of  
29 this section for the same contract.

30 (h) Except as provided by (j) of this section, this section applies to all  
31 insurance contracts involving state money. In this subsection, "state money" has the



1 meaning given in AS 36.30.990, but also includes state grants and reimbursements to  
2 municipalities, school districts, and other entities.

3 (i) To qualify for a preference under (b), (d), or (f) of this section, a bidder or  
4 offeror must add value by actually performing, controlling, managing, and supervising  
5 the services provided, or the bidder or offeror must have sold supplies of the general  
6 nature solicited to other state agencies, other governments, or the general public.

7 (j) This section does not apply to solicitations or contracts for lease space  
8 under AS 36.30.080, to procurements under AS 36.30.305 - 36.30.310 or, except as  
9 provided otherwise by regulation under AS 36.30.320, to small procurements under  
10 AS 36.30.320.

11 (k) In this section, "person with a disability" means an individual who

12 (1) has been determined to be permanently disabled by the

13 (A) United States Social Security Administration under 42  
14 U.S.C. 423 or 1381 - 1383f (Social Security Act);

15 (B) teachers' retirement system under AS 14.25, the judicial  
16 retirement system under AS 22.25, the public employees' retirement system  
17 under AS 39.35, or the elected public officers' retirement system under former  
18 AS 39.37;

19 (C) Federal Civil Service Retirement System under 5 U.S.C.  
20 2107, 3323, and 8331 - 8351;

21 (D) federal employees' retirement system under 5 U.S.C. 8401  
22 - 8480; or

23 (E) division of vocational rehabilitation in the Department of  
24 Labor and Workforce Development using disability standards under 42 U.S.C.  
25 1381 - 1383f (Social Security Act) for eligibility for certain state disability  
26 programs;

27 (2) is receiving permanent total disability under AS 23.30 (Alaska  
28 Workers' Compensation Act);

29 (3) has been discharged from military service under honorable  
30 conditions and is certified by the United States Department of Veterans Affairs as  
31 having incurred a 50 percent or greater disability during military service; or

1 (4) has served in the Alaska Territorial Guard and incurred a 50  
2 percent or greater disability while serving in the Alaska Territorial Guard.

3 \* **Sec. 20.** AS 36.30.322(a) is amended to read:

4 (a) Only timber, lumber, and manufactured lumber products originating in this  
5 state from Alaska forests may be procured by an agency or used in construction  
6 projects of an agency unless

7 (1) the manufacturers and suppliers who have notified the  
8 commissioner of commerce, community, and economic development of their  
9 willingness to manufacture or supply Alaska forest products

10 [(1)] have been given reasonable notice of the forest product needs of  
11 the procurement or project; and

12 (2) a manufacturer or supplier who has notified the commissioner  
13 of commerce, community, and economic development of its willingness to  
14 manufacture or supply Alaska forest products is not the low bidder after all  
15 applicable preferences have been applied to the price of the qualifying forest  
16 product under AS 36.30.336 [ARE UNABLE TO SUPPLY THE PRODUCTS AT A  
17 COST THAT IS WITHIN SEVEN PERCENT OF THE PRICE OFFERED BY A  
18 MANUFACTURER OR SUPPLIER OF NON-ALASKA FOREST PRODUCTS].

19 \* **Sec. 21.** AS 36.30.336 is repealed and reenacted to read:

20 **Sec. 36.30.336. Application of preferences.** (a) Except as provided in  
21 AS 36.15.050(h) and AS 36.30.321(g), the preferences provided in AS 36.15.050 and  
22 AS 36.30.321 - 36.30.338 are cumulative. A bidder who would otherwise qualify for  
23 preferences under AS 36.30.321 may not be given a preference over another bidder  
24 who qualifies for the same preferences.

25 (b) Notwithstanding the other provisions of this chapter, AS 36.30.321 -  
26 36.30.338 apply to all procurements subject to this chapter, except as provided in  
27 AS 36.15.050(h) and AS 36.30.322(b).

28 \* **Sec. 22.** AS 36.30.655 is amended to read:

29 **Sec. 36.30.655. List of persons debarred or suspended [; REMOVAL**  
30 **FROM CONTRACTOR LISTS].** The commissioner shall maintain a list of all  
31 persons debarred or suspended from consideration for the award of contracts. [THE

1 COMMISSIONER SHALL REMOVE A PERSON DEBARRED OR SUSPENDED  
 2 FROM THE LISTS OF CONTRACTORS UNDER AS 36.30.050 FOR THE PERIOD  
 3 OF DEBARMENT OR SUSPENSION.]

4 \* **Sec. 23.** AS 36.30.990 is amended by adding new paragraphs to read:

5 (25) "Alaska bidder" means a person who

6 (A) holds a current Alaska business license;

7 (B) submits a bid or proposal for goods, services, or  
 8 construction under the name appearing on the person's current Alaska business  
 9 license;

10 (C) has maintained a place of business in the state staffed by  
 11 the bidder or offeror or an employee of the bidder or offeror for a period of six  
 12 months immediately preceding the date of the bid or proposal;

13 (D) is incorporated or qualified to do business under the laws  
 14 of the state, is a sole proprietorship and the proprietor is a resident of the state,  
 15 is a limited liability company organized under AS 10.50 and all members are  
 16 residents of the state, or is a partnership under former AS 32.05, AS 32.06, or  
 17 AS 32.11 and all partners are residents of the state; and

18 (E) if a joint venture, is composed entirely of ventures that  
 19 qualify under (A) - (D) of this paragraph;

20 (26) "in writing" has the meaning given to "written" in this section;

21 (27) "written" means the product of forming characters on paper, other  
 22 materials, or viewable screens, that can be read, retrieved, and reproduced, including  
 23 information that is electronically transmitted and stored.

24 \* **Sec. 24.** AS 36.90.049(a) is amended to read:

25 (a) A marine vessel owned by the state shall be maintained and repaired at a  
 26 shipyard facility located in the state unless the commissioner of the department that  
 27 operates the marine vessel determines in writing that there is no shipyard facility  
 28 located in the state that is equipped or qualified to perform the particular maintenance  
 29 or repair required, or, after taking into consideration the **five percent** [ALASKA  
 30 BIDDER] preference **under AS 36.30.321(a)** [SET OUT IN AS 36.30.170] and the  
 31 interport differential, that the proposed cost of the maintenance or repair work is

1 unreasonable. A detailed list of the costs and factors considered in calculating the  
 2 interport differential must be provided to each person who expresses an interest in  
 3 submitting a bid to perform maintenance or repair work on a marine vessel owned by  
 4 the state.

5 \* **Sec. 25.** AS 38.35.017(a) is amended to read:

6 (a) Consistent with and in furtherance of the statements of general state policy  
 7 guiding resource development set out in art. VIII, sec. 1, Constitution of the State of  
 8 Alaska, that the resources of the state be developed "by making them available for  
 9 maximum use consistent with the public interest" and in art. VIII, sec. 2, Constitution  
 10 of the State of Alaska, directing that provision shall be made by the legislature for "the  
 11 utilization, development, and conservation of all natural resources belonging to the  
 12 State . . . for the maximum benefit of its people," and consistent with and in  
 13 furtherance of the general legislative declaration of policy for this chapter set out in  
 14 AS 38.35.010, it is the policy of this state that the overall strategy for development,  
 15 use, and control of a pipeline or pipelines to develop the state's substantial North Slope  
 16 natural gas resources be directed

17 (1) to enhance the standard of living of state residents by

18 (A) ensuring that, in conjunction with out-of-state market  
 19 driven commercial demand for North Slope natural gas, state residents and  
 20 businesses will have access, directly or indirectly, to that portion of the gas that  
 21 will meet the reasonably foreseeable in-state demands for it, including  
 22 substitution of the North Slope natural gas for depleting gas reserves in  
 23 Southcentral Alaska in order to maintain a vital domestic and industrial energy  
 24 source, and ensuring that the pipeline or pipelines for the transportation of  
 25 North Slope natural gas will be designed and located to be responsive to these  
 26 requirements;

27 (B) making the maximum contribution to the development of  
 28 job opportunities in this state by

29 (i) providing direct short-term construction and long-  
 30 term operation- and maintenance-related employment on the pipeline or  
 31 pipelines, to the end that the resources be developed with qualified

1 contractors and firms in this state for work to be performed, including  
 2 the fabrication and installation of required facilities, and that state  
 3 residents be employed, consistent with law; for purposes of this sub-  
 4 subparagraph, a person is considered a resident if the person is  
 5 physically present in the state with the intent to remain in the state  
 6 indefinitely and has a home in the state, and a contractor or firm is  
 7 considered as qualified if the contractor or firm qualifies as an Alaska  
 8 bidder under; **in this sub-subparagraph, "Alaska bidder" has the**  
 9 **meaning given in AS 36.30.990** [AS 36.30.170(b)]; and

10 (ii) providing necessary support services; and

11 (C) adding significant long-term property value to the tax base  
 12 of the state and local governments, thereby providing the means to support  
 13 public education, public health, transportation, and other essential state and  
 14 local government projects and services;

15 (2) to ensure that the design, location, and construction of a pipeline or  
 16 pipelines for delivery of North Slope natural gas to North American markets through  
 17 connection to the North American natural gas pipeline network enhance opportunities  
 18 for implementing gas deliveries using alternative technologies and the construction of  
 19 other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

20 (3) to ensure construction of the pipeline or pipelines consistent with  
 21 careful protection of the state's natural environment, with minimum environmental  
 22 degradation, to the greatest extent possible, and with protection of fish, wildlife, and  
 23 biotic resources for the use of persons who depend upon them by using available  
 24 transportation infrastructure to initiate and complete project construction and  
 25 maintenance and by avoiding duplication of facilities.

26 \* **Sec. 26.** AS 36.30.050, 36.30.175, 36.30.250(b), and 36.30.335 are repealed.

27 \* **Sec. 27.** The uncodified law of the State of Alaska is amended by adding a new section to  
 28 read:

29 TRANSITION: PENDING SOLICITATIONS FOR PROCUREMENTS AND  
 30 CONTRACTS. (a) This Act does not apply to

31 (1) solicitations for procurement and the resulting contracts, if the solicitations

1 are pending on the effective date of this Act and if the invitation to bid or other solicitation  
2 was issued before the effective date of this Act; and

3 (2) procurement contracts entered into before the effective date of this Act,  
4 including extensions or amendments of those contracts.

5 (b) Notwithstanding (a) of this section, this Act applies to procurements or contracts  
6 described in (a)(1) of this section if all parties to the procurement or contract agree in writing  
7 that the applicable provisions of this Act apply to the solicitation or contract.

8 \* **Sec. 28.** This Act takes effect immediately under AS 01.10.070(c).