



Alaska State Legislature

Senator Anna Fairclough – Senate District M

Sponsor Statement

Senate Bill 12

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

Senate Bill 12 makes changes to the state's procurement code. Collectively, these changes streamline the procurement code to ensure consistent application of the law, resulting in a more understandable, efficient procurement process. These changes are needed to prevent failed procurements and provide modern procurement tools and techniques for the state's business partners as well as our employees who conduct procurements.

The bill simplifies the procurement process by standardizing complex and confusing preference language and increasing the small procurement thresholds so that more procurements are conducted with less formality. Small procurement procedures are easier for businesses to understand and less expensive for them to comply with, and they are faster and more efficient for the state to conduct.

These changes will encourage broader competition and allow the state to achieve efficiencies and take advantage of today's technology. This bill modernizes the procurement code, allowing for electronic receipt of bids and signatures. The bill also eliminates the requirement to maintain outdated vendor lists in a time when commerce is moving online.

The bill makes application of the preferences uniform – currently, preferences do not contain the same language so they must be applied differently. It also clarifies which preferences are cumulative and those that may not be combined.

The bill clarifies now complex requirements such as qualification for preferences and clearly explains when an Alaskan Business license is required to qualify for award of a contract. The bill modernizes and streamlines state procurement by elimination of outdated requirements such as bidders lists, and it allows for electronic bidding.

It has been many years since our procurement code has been modernized. These changes will reduce barriers to Alaskan businesses, especially small and rural based firms, and will decrease costs, and increase the effectiveness of state employees who procure and administer contracts for goods and services

I appreciate your support and consideration of this legislation.