

Alaska State Legislature

Legislative Affairs Agency

Administrative Services, Procurement & Supply Section
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MEMORANDUM

TO: Representative Sara Hannan, Chair
Legislative Council

FROM: JC Kestel, Procurement Officer

DATE: December 13, 2021

SUBJ: Amendments to the Alaska Legislative Procurement Procedures

The Agency proposes two amendments to the Alaska Legislative Procurement Procedures: the first reduces the administrative burden for routine expenditures and the second allows the Legislature to benefit from cooperative purchasing agreements.

Amendment 1 increases the allowable exemption limit from \$35,000 to \$50,000 in Sec. 020 (a)(2). Many routine expenditures are close to or exceed the current limit and approving this amendment allows for greater efficiency in allocating resources for customary procurements by reducing required staff time and related Council authorizations.

Amendment 2 adds a new section (Sec. 037 - COOPERATIVE PURCHASING AUTHORIZED) allowing the Legislature to participate in and create cooperative purchasing agreements. Essentially, by adding this authority, the Legislature can use existing contracts for goods and services procured by publicly funded entities at the municipal, state, and/or federal level. Because a valid and comprehensive procurement process has secured the existing contract, the Legislature can skip that step while maintaining the Legislature's contract approval process. States participating in cooperative purchasing agreements work together to determine the scope, conduct competitive solicitations, and produce contracts of greater benefit than what any one state might realize.

This amendment also requires an update to Sec. 040 – EXEMPTIONS to group applicable procurement exemptions for easier reference.

I am happy to answer questions or provide additional detail.

Attachment

FIRST MOTION: I MOVE THAT LEGISLATIVE COUNCIL ADOPT AMENDMENT 1 TO THE ALASKA LEGISLATIVE PROCUREMENT PROCEDURES.

SECOND MOTION: I MOVE THAT LEGISLATIVE COUNCIL ADOPT AMENDMENT 2 TO THE ALASKA LEGISLATIVE PROCUREMENT PROCEDURES.

AMENDMENT NO. 1

* **Section 1.** Sec. 020(a), Alaska Legislative Procurement Procedures, is amended to read:

(a) These procedures apply to all contracts entered into after December 31, 1987, for services, professional services, supplies, or construction to be provided to a legislative agency or legislative committee except:

- (1) employment contracts;
- (2) contracts that do not exceed \$50,000 [\$35,000] each year;
- (3) contracts for utilities; in this paragraph, "utilities" includes water, heat, sewer, telephone services and garbage;
- (4) contracts with a state agency, including a department, the University of Alaska, and a public corporation;
- (5) contracts to purchase memberships in professional and legislative organizations;
- (6) contracts to handle an emergency situation, including a situation that arises because of fire, flood, equipment failure, or other compelling reason; to qualify for this exemption, the procurement officer shall make a written determination that there is an emergency, and the determination must recite the facts on which the determination is based;
- (7) contracts for the purchase of maintenance services for equipment, software, or both;
- (8) contracts for hospitality or government protocol; and (9) contracts for artifacts or art.

AMENDMENT NO. 2

* **Section 1.** The Alaska Legislative Procurement Procedures is amended by adding a new section to read:

Sec. 037. COOPERATIVE PURCHASING AUTHORIZED. (a) An agency may make a procurement under a cooperative purchasing agreement that is developed or obtained using competitive procurement procedures by

- (1) a public procurement unit; or
- (2) an external procurement organization.

(b) An agency may develop or obtain a cooperative purchasing agreement.

(c) An agency procurement made under (a) of this section is exempt from the requirements of these procurement procedures other than sec. 150(b).

(d) In this section,

(1) "cooperative purchasing agreement" means an agreement with a contractor that allows one or more public procurement units to procure supplies, services, professional services, or construction from the contractor in accordance with an agreement entered into between the participants;

(2) "external procurement organization" means a nonprofit entity that, on behalf of one or more public procurement units, obtains or enters into a purchasing agreement for the use by more than one public procurement unit;

(3) "public procurement unit" means

(A) the Legislative Affairs Agency or another legislative agency, including a legislative committee;

(B) a municipality or other political subdivision of the state or other entity that expends public funds for the procurement of supplies, services, professional services, and construction;

(C) the University of Alaska;

(D) the Alaska Railroad Corporation, the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, or other public corporation; and

(E) any other contracting department, institution, board, commission, division, authority, or administrative unit of this or another state government or the United States government.

* **Sec. 2.** Sec. 040, Alaska Legislative Procurement Procedures, is amended by adding a new subsection to read:

(e) A contract with a municipality in the state is exempt from the requirements of these procurement procedures other than sec. 150(b).

* **Sec. 3.** Sec. 020(b), Alaska Legislative Procurement Procedures, is repealed.
