

AMENDMENT #1

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: SCS CSHB 375(FIN)

1 Page 2, following line 24:

2 Insert new material to read:

3 "It is the intent of the legislature that the Department of Administration, Office of the
4 Governor, and other state agencies actively pursue implementation of the state procurement
5 pilot program authorized by ch. 51, SLA 2003 (HB 313, Twenty-Third Alaska State
6 Legislature). It is essential that state policy makers show strong leadership in reducing the
7 cost of government at a time when the State of Alaska is facing a fiscal gap. The procurement
8 pilot program provides an opportunity to address the fiscal condition of the state in a way that
9 does not reduce program delivery. The procurement pilot program will reduce the costs
10 associated with procurement and supply chain management, which are significant areas of the
11 state's administrative costs and represent an area of potentially substantial cost savings in the
12 future. As a basic administrative function, procurement and supply management represent
13 appropriate opportunities for achieving cost savings through the use of process management
14 specialists from the private sector and, when combined with electronic commerce tools, offer
15 opportunities to reduce the amount of back-office overhead resources required to requisition,
16 procure, and otherwise administer the acquisition of goods and services, as well as to reduce
17 the actual costs of goods and services. Given the early indications of large potential cost
18 savings to the state from the procurement pilot program, the legislature encourages the
19 executive branch to actively pursue full implementation authorized by ch. 51, SLA 2003."