

CS FOR SENATE BILL NO. 160(FIN) am(efd fld)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/3/06

Offered: 5/1/06

Sponsor(s): SENATE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to a procurement and electronic commerce tools program for state**
2 **departments and instrumentalities of the state."**

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

4 *** Section 1.** AS 36.30 is amended by adding a new section to article 1 to read:

5 **Sec. 36.30.093. State procurement modernization and electronic commerce**
6 **program.** (a) The Department of Administration may enter into a procurement
7 modernization and electronic commerce program under which the Department of
8 Administration contracts with a person from the private sector to provide procurement
9 services and to provide for the delivery and use of electronic commerce tools. The
10 contract shall be awarded under this chapter.

11 (b) The Department of Administration should implement the program at a
12 pace that is reasonable for the Department of Administration but that is also
13 expeditious enough to provide a scale of operation that is sufficient to enable the
14 program to be viable.

1 (c) Notwithstanding any other provision of this chapter, all state departments
2 and instrumentalities of the state may participate in the program. A state department or
3 an instrumentality of the state may participate in one or more parts of the program. If a
4 state department or an instrumentality of the state limits its participation to the
5 delivery of the electronic commerce tools, the state department or instrumentality of
6 the state may negotiate, as an amendment to the contract authorized under (a) of this
7 section, a financial arrangement with the program contractor to implement the delivery
8 of the electronic commerce tools.

9 (d) A procurement conducted by the program contractor is not subject to this
10 chapter or to AS 36.15. However, the procurement is subject to (g) and (h) of this
11 section. A procurement conducted by the program contractor may not exceed \$50,000
12 and may only be for

13 (1) goods;

14 (2) services suitable for performing repetitive processes; or

15 (3) a combination of (1) and (2) of this subsection.

16 (e) Whether or not a state department or an instrumentality of the state
17 participates in the parts of the program that provide procurement services, the
18 Department of Administration may make available to state departments or
19 instrumentalities of the state the program elements that save the state departments and
20 instrumentalities of the state money on the cost of goods and services. In this
21 subsection, "elements" includes electronic commerce tools, catalogs on available
22 goods and services, and electronic marketplaces created under the program.

23 (f) The office of management and budget shall establish methods for
24 measuring the savings achieved under the program by a state department or
25 instrumentality of the state that participates in the program. The methods for
26 measuring the efficiency of the services provided by the program contractor and the
27 efficiency of the services provided by employees of the state must be identical.

28 (g) The program contractor shall award a contract based on solicited bids as
29 provided by AS 36.30.170(a) - (f), (h), (j), and (k). A procurement under this
30 subsection is also subject to AS 36.15.010 and 36.15.050 to the extent AS 36.15.010
31 and 36.15.050 are applicable.

1 (h) When awarding a contract under solicited proposals, the program
 2 contractor shall consider whether the offeror qualifies as an Alaska bidder, is offering
 3 the service of an employment program, or qualifies for a preference under
 4 AS 36.30.170(e) or (f). A procurement under this subsection is also subject to an
 5 Alaska products preference under AS 36.30.332 - 36.30.338, to a recycled products
 6 preference under AS 36.30.337, and to AS 36.15.010 and 36.15.050 to the extent
 7 AS 36.15.010 and 36.15.050 are applicable. In this subsection,

8 (1) "Alaska bidder" has the meaning given in AS 36.30.170;

9 (2) "employment program" has the meaning given in AS 36.30.990.

10 (i) In this section,

11 (1) "instrumentality of the state" means a state public corporation, a
 12 state enterprise, or another administrative unit of state government that handles its
 13 procurement and supply management in a manner that is separate from a department
 14 of the state, but does not include a municipality or a municipal school district;

15 (2) "part of the program" means

16 (A) providing procurement services;

17 (B) providing for the delivery of electronic commerce tools,
 18 including the creation of electronic marketplaces;

19 (C) providing for the use of electronic commerce tools; or

20 (D) a combination of one or more of the items described in (A)

21 - (C) of this paragraph;

22 (3) "program" means the procurement modernization and electronic
 23 commerce program authorized under (a) of this section;

24 (4) "program contractor" means the contractor selected by the
 25 department under (a) of this section to manage the program.

26 * **Sec. 2.** AS 36.30.093(d) is amended to read:

27 (d) A procurement conducted by the program contractor is [NOT] subject to
 28 this chapter **and** [OR] to AS 36.15. [HOWEVER, THE PROCUREMENT IS
 29 SUBJECT TO (g) AND (h) OF THIS SECTION.] A procurement conducted by the
 30 program contractor may not exceed \$50,000 and may only be for

31 (1) goods;

- 1 (2) services suitable for performing repetitive processes; or
2 (3) a combination of (1) and (2) of this subsection.

3 * **Sec. 3.** AS 36.30.093(g) and 36.30.093(h) are repealed.

4 * **Sec. 4.** Sections 2 and 3, ch. 51, SLA 2003, are repealed.

5 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 CONTINUATION OF PILOT PROGRAM. The program established by
8 AS 36.30.093, enacted by sec. 1 of this Act, is intended, to the extent consistent with
9 AS 36.30.093, to be a continuation of the pilot program established by sec. 2, ch. 51, SLA
10 2003.

11 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 APPLICABILITY. Nothing in this Act affects the validity of actions taken by the
14 Department of Administration under ch. 51, SLA 2003, before the effective date of this
15 section.

16 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
17 read:

18 RETROACTIVITY. Sections 1 and 4 - 6 of this Act are retroactive to July 1, 2006.