

HOUSE FINANCE COMMITTEE
March 27, 2013
2:51 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 2:51 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative Lindsey Holmes
Representative Scott Kawasaki, Alternate
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

Representative David Guttenberg

ALSO PRESENT

Senator Anna Fairclough; Vern Jones, Chief Procurement Officer, Department of Administration.

SUMMARY

HB 112 REPEAL FILM PRODUCTION TAX CREDIT

HB 112 was SCHEDULED but not HEARD.

SB 12 PUBLIC PROCUREMENT

SB 12 was REPORTED out of committee with a "do pass" recommendation and with one previously published zero impact fiscal note: FN1 (ADM).

SB 23 AIDEA: LNG PROJECT; DIVIDENDS; FINANCING

SB 23 was SCHEDULED but not HEARD.

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#sb12

SENATE BILL NO. 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."

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SENATOR ANNA FAIRCLOUGH, explained that the bill proposed to streamline the procurement process for Alaska. The small procurement aspect would advantage rural and urban communities by allowing more people to bid on Alaskan projects. She pointed out that SB 12 clarified Alaska's business license requirements and increased the threshold under which a state agency may use the informal bid process from \$50 thousand to \$100 thousand for goods and services and from \$100 thousand to \$200 thousand for construction. She added that SB 12 increased the small procurement lease space from 3000 to 7000 square feet. The bill allowed electronic bids and eliminated an outdated bidder's list. The department handled the bidder's list online. The bill makes applications on preferences uniform so the language remains consistent and easy to read.

Senator Fairclough added that the bill clarified and consolidated the cumulative preferences under one statute in code. The bill eliminated a seldom used employer with disabilities preference, but allowed and continued disabilities preferences. The bill lowered the range for

the new Chief Procurement Officer from a range 27 to a range 25, which was a new component of the bill. The Chief Procurement Officer would no longer be the director of general services. Collectively the changes would streamline the procurement process and the code and ensure consistent application of Alaska's procurement law.

VERN JONES, CHIEF PROCUREMENT OFFICER, DEPARTMENT OF ADMINISTRATION, stated that the department supported SB 12 for procurement reform and had been working with the sponsor for five years on procurement reform.

Senator Fairclough stated that the bill language recognized veteran's papers. She added that Vocational-Education could recognize a disability based on federal documentation. In the previous committee, a few people testified on that provision.

Co-Chair Stoltze pointed out that the comments received by his office regarding the bill were from veterans about the provision. He considered a proposed amendment for the Division of Elections and their printing issues. He thought that SB 12 might be a vehicle for the issue. He asked the sponsor if she thought that the issue was flushed out enough to be included in the legislation.

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Senator Fairclough responded that she was working with the Division of Elections on a separate bill. She wished to respect the process of SB 12 and allow it to pass in its entirety. She believed that she had the department's support regarding competition for election and printing.

Co-Chair Stoltze [undecipherable].

Senator Fairclough appreciated the support for the bill. She stated that no opposition in the form of testimony was received for the bill.

Co-Chair Stoltze expressed respect for the process.

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Representative Costello discussed the one fiscal note from Department of Administration showing zero fiscal impact.

Representative Kawasaki asked about the zero fiscal note and why there was no fiscal impact if the limits were raised to streamline the process.

Senator Fairclough replied that the bill attempted to refocus the attention of the procurement division regarding contracts and leases that required additional time. The threshold was raised on the lease allowing more time spent on the 7000 square foot leases. The process allowed a streamline by encouraging the department to act appropriately for the people of Alaska.

Representative Holmes commented that she hoped the third time was the charm.

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Representative Wilson MOVED to REPORT SB 12 out of committee with individual recommendations and the accompanying fiscal note(s). There being NO OBJECTION, it was so ordered.

SB 12 was REPORTED out of committee with a "do pass" recommendation and with one previously published zero impact fiscal note: FN1 (ADM).

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ADJOURNMENT