

SENATE BILL NO. 195

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY SENATOR MCGUIRE

Introduced: 2/22/16

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to state procurement; and providing for an effective date."**

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

3 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 LEGISLATIVE FINDINGS. The Alaska State Legislature finds that

6 (1) the fiscal condition of the state requires that any opportunity to reduce
7 state costs in a way that does not directly reduce program delivery shall be actively and
8 thoroughly explored;

9 (2) the costs associated with procurement and supply management are
10 significant areas of the state's administrative costs and represent an area of potentially
11 substantial cost savings;

12 (3) as a basic administrative function, procurement and supply management
13 represent appropriate opportunities for achieving cost savings through the use of contractors
14 from the private sector;

15 (4) electronic commerce tools offer opportunities to reduce the amount of

labor resources required to requisition, procure, and otherwise administer the acquisition of goods, services, and leases, as well as to reduce the actual costs of goods, services, and leases.

* **Sec. 2.** AS 36.30.005(c)(3) is amended to read:

(3) "chief procurement officer" means a person designated by the president of the University of Alaska to perform the activities listed in AS 36.30.010(b) [WHOSE QUALIFICATIONS ARE SUBSTANTIALLY EQUIVALENT TO THOSE PROVIDED IN AS 36.30.010(a)];

* **Sec. 3.** AS 36.30 is amended by adding a new section to read:

Sec. 36.30.008. Use of contractors for procurement. (a) Notwithstanding the other sections of this chapter, the department shall contract with a private person under this chapter for the private person to perform the procurement and other duties and powers of the commissioner, the department, the chief procurement officer, a procurement officer, and an agency under this chapter.

(b) The term of a contract under this section may not exceed 15 years, including renewal periods. When a contract terminates, the department shall enter into a new contract under this section.

(c) The department may terminate a contract for good cause, including breach of the contract, poor performance, or another reason determined by the commissioner by regulation.

(d) If a contract terminates by its terms or otherwise ends before the department has procured a new contractor, the department shall perform the procurement and other duties and powers of the commissioner, the department, the chief procurement officer, a procurement officer, and an agency under this chapter until the department procures a new contractor.

(e) A contractor may not adopt regulations under this chapter, including the obligations of the commissioner under AS 36.30.040 - 36.30.070 or 36.30.550 - 36.30.699. During the contract, the commissioner may adopt regulations as authorized by this chapter.

(f) Notwithstanding AS 36.30.015(a) and (b) or another section of this chapter, a contractor may not delegate to an agency or another person the authority given to the contractor under a contract.

(g) The commissioner may not delegate the obligations of the commissioner under AS 36.30.040 - 36.30.070 or 36.30.550 - 36.30.699.

(h) This section applies to a procurement that this chapter or a provision of this chapter governs as directed by another statute that is not located in this chapter, unless (k) of this section excludes the agency from the coverage of this section.

(i) This section does not apply to procurement by, or the exercise of, other duties and powers of the following agencies under this chapter:

(1) Department of Transportation and Public Facilities to the extent indicated in this chapter;

(2) University of Alaska;

(3) Alaska Railroad Corporation;

(4) Alaska Housing Finance Corporation;

(5) Alaska Seafood Marketing Institute;

(6) Public Defender Agency;

(7) office of public advocacy;

(8) legislative branch; and

(9) Alaska Court System.

(j) During the performance of a contract under this chapter, "commissioner," "department," and "chief procurement officer," mean the contractor, except as otherwise provided in (k) of this section.

(k) In this section,

(1) "contract" means the contract entered into under (a) of this section;

(2) "contractor" means the person selected to be the contractor under (a) of this section;

(3) "private person" means a person that is not a governmental agency.

* **Sec. 4.** AS 36.30.010(a), 36.30.010(c), 36.30.010(d); and AS 39.50.200(a)(9)(G) are repealed.

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

APPLICABILITY. This Act does not apply to a procurement for which an invitation to bid or a request for proposals is issued before the effective date of sec. 3 of this Act. In this

1 section, "procurement" has the meaning given in AS 36.30.990.

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

4 TRANSITION: FIRST CONTRACT. The Department of Administration shall
5 proceed to procure a contract under AS 36.30, as that chapter exists before July 1, 2018, to
6 implement AS 36.30.008, enacted by sec. 3 of this Act. The contract becomes effective
7 July 1, 2018. In this section, "contract" has the meaning given in AS 36.30.008.

8 * **Sec. 7.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

9 * **Sec. 8.** Except as provided in sec. 7 of this Act, this Act takes effect July 1, 2018.