

1 IN THE HOUSE

BY MR. DEVEAU

2

HOUSE BILL NO. 227

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SECOND LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to state construction contract procedures; providing for a policy of fair practice in connection with construction contracts entered into by the State of Alaska, any of its agencies, or contracts in which any or all state monies are included in the cost; and providing for an effective date."

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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Section 1. SHORT TITLE. This Act may be cited as the State Construction Contract Procedures Act.

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HB #227

1 trade practices of bid shopping by general contractors and bid
2 peddling by subcontractors and other unfair trade practices in
3 connection with bidding on state works.

4 Sec. 3. a. It shall be the policy of the State of Alaska to
5 eliminate, insofar as possible, the practices of bid shopping and
6 bid peddling in connection with the construction, alteration and
7 repair of state works.

8 b. At the time of bidding to an agency of the State of
9 Alaska, or of any work in which state monies are included for the
10 construction, alteration or repair of any state work, the prime
11 contractor shall state to such agency not only the qualifications
12 and experience on his part which are necessary for the efficient
13 performance of the work which such prime contractor undertakes for
14 himself, but also the qualifications and experience on the part of
15 one subcontractor in each work category under such prime contractor
16 with respect to the work to be performed by each subcontractor.

17 c. In the interest of efficiency, economy and fair practice
18 in connection with the construction, alteration and repair of state
19 work, each agency of the state shall take such action as may be
20 necessary and appropriate to insure, (1) that competition among
21 subcontractors be completed prior to submission of their bids to
22 the prime contractor and, (2) that, as a result of prior competi-
23 tion among subcontractors, the bid to the prime contractor will
24 reflect the lowest bids of the subcontractor.

25 Sec. 4. a. No state agency shall award to or enter into a
26 contract for construction, alteration or repair of state work un-
27 less the prime contractor shall have complied with all provisions
28 of this Act. If the prime contractor fails to enter into a con-
29 tract with the subcontractor named in the bid, he shall first

1 notify the state agency in writing the name and the qualifications
2 of the substitute subcontractor and the amount of the new subcon-
3 tractor's bid.

4 b. In the event the state agency determines that the substi-
5 tute subcontractor meets the standards required, the total net con-
6 tract price of the prime contractor to the state agency shall be
7 adjusted by the net difference in cost if such substitution re-
8 sulted in a lower cost to the prime contractor.

9 Sec. 5. This Act takes effect on the day after its passage
10 and approval or on the day it becomes law without such approval.

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