

Offered: 3/12/64
Referred: Finance

Original Sponsors: Messrs. Leonard
and Sanders.

1 IN THE HOUSE BY THE LABOR AND MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 186

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state construction con-
7 tract procedures; and providing for an
8 effective date."

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

10 * Section 1. It appears desirable, and in the best interests
11 of the state government, for the State of Alaska, or any of its
12 agencies in contracting for construction in which all or part, are
13 state moneys, to use the single contract system of procurement
14 under which the prime contractor is solely responsible to the
15 state for completion and has undivided responsibility therefor
16 and full control and authority to coordinate and complete, but
17 that such system shall include procedures under which subcontracts
18 for the work involved should be finalized prior to the submission
19 of bids or proposals to give the state government or its agencies
20 the full benefit of competitive subcontract prices, as well as
21 maximum efficiency in performance, and that such procedures shall
22 be so established as to eliminate the unfair trade practices of
23 bid shopping by prime contractors and bid peddling by subcontrac-
24 tors and other unfair trade practices in connection with bidding
25 on state works.

26 * Sec. 2. AS 37.05 is amended by adding new sections to read:
27 Sec. 37.05.233. SINGLE CONTRACT SYSTEM. (a) It shall
28 be the policy of the State of Alaska to eliminate, insofar
29 as possible, the practices of bid shopping and bid peddling

1 in connection with the construction, alteration and repair of
2 state works.

3 (b) At the time of bidding to an agency of the State of
4 Alaska, or of any work in which state moneys are included for
5 the construction, alteration or repair of any state work, the
6 prime contractor shall state to such agency not only the
7 qualifications and experience on his part which are necessary
8 for the efficient performance of the work which such prime
9 contractor undertakes for himself, but also the name, quali-
10 fications and experience on the part of one subcontractor in
11 each work category under such prime contractor with respect
12 to the work to be performed by each subcontractor.

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

22 Sec. 37.05.234. CONSEQUENCE OF NONCOMPLIANCE. (a) No
23 state agency shall award to or enter into a contract for con-
24 struction, alteration or repair of state work unless the
25 prime contractor shall have complied with all provisions of
26 secs. 233 - 236 of this chapter. If the prime contractor
27 fails to enter into a contract with the subcontractor named
28 in the bid, he shall first notify the state agency in writing
29 the name and the qualifications of the substitute subcontrac-

1 tor and the amount of the new subcontractor's bid.

2 (b) In the event the state agency determines that the
3 substitute subcontractor meets the standards required, the
4 total net contract price of the prime contractor to the state
5 agency shall be adjusted by the net difference in cost if
6 such substitution resulted in a lower cost to the prime con-
7 tractor.

8 Sec. 37.05.235. DEFINITIONS. In secs. 233 - 236 of
9 this chapter, "subcontractor" means a person doing work in
10 any of the following categories:

- 11 (1) plumbing, gas fitting, and similar work;
12 (2) electrical work;
13 (3) furnishing and installing steam powerplants,
14 hot water heating apparatus, and sheet metal and ventilating
15 components, and other apparatus and facilities of like kind
16 not included within (1) or (2) of this section.

17 Sec. 37.05.236. SHORT TITLE. Secs. 233 - 236 of this
18 chapter may be cited as the State Construction Contract Pro-
19 cedures Act.

20 * Sec. 3. This Act takes effect on the day after its passage
21 and approval or on the day it becomes law without such approval.
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