

Introduced: 3/1/77  
Referred: Commerce and Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 195

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and  
7 providing for an effective date."

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

9 \* Section 1. AS 36 is amended by adding a new chapter to read:

10 CHAPTER 30. SMALL BUSINESS ASSISTANCE.

11 Sec. 36.30.010. STATEMENT OF POLICY. The most important element  
12 of the American economic system of private enterprise is free and  
13 vigorous competition. Only through the existence of such competition  
14 can free entry into business and opportunities for personal initiative  
15 and individual achievement be assured, and its preservation and expan-  
16 sion are essential for the economic well-being of the citizens of Alaska.  
17 In order to promote such competition, small business concerns must be  
18 encouraged, and it is the declared policy of the state to insure that a  
19 fair proportion of the total contracts or subcontracts for property,  
20 commodities and services for the state be awarded to small business  
21 concerns.

22 Sec. 36.30.020. POWERS OF THE DEPARTMENT. The department shall

23 (1) make a complete inventory of all productive facilities of  
24 small business concerns in the state;

25 (2) determine the concerns, firms, persons, corporations,  
26 partnerships, cooperatives, or other business enterprises which are to  
27 be designated "small business concerns" to carry out the provisions of  
28 this chapter; the department shall designate individual concerns as  
29 "small business concerns" as defined in sec. 200(3) of this chapter.

1 (3) obtain information as to the methods and practices of  
2 prime contractors in awarding subcontracts, and take action to encourage  
3 the award of subcontracts by prime contractors to small business con-  
4 cerns at prices and on conditions and terms which are fair and equitable;

5 (4) require reports from any state department or agency  
6 engaged in procurement or in the financing of procurement disclosing the  
7 award of contracts and subcontracts, procurement of articles, commodi-  
8 ties, materials, supplies or services and the proportion of these pro-  
9 curements that are awarded to small business concerns;

10 (5) make quarterly recommendations throughout the fiscal year  
11 to state departments engaged in procurement, based upon the reports  
12 required in (4) of this section, concerning the desirable level of pro-  
13 curement activity required by sec. 30(a) of this chapter; and

14 (6) adopt regulations necessary to carry out the purposes of  
15 this chapter.

16 Sec. 36.30.030. SMALL BUSINESS PROCUREMENT. (a) Each department  
17 or agency of the state engaged in procurement or in the financing of  
18 procurement shall procure or direct a person or activity receiving state  
19 financing to procure at least 10 per cent of the annual value of the  
20 total procurements by that department, agency, person or activity from  
21 small business concerns designated or qualifying for designation under  
22 sec. 20(2) of this chapter.

23 (b) The requirement contained in (a) of this section may be waived  
24 by the commissioner of administration if he determines that the depart-  
25 ment's or agency's inability to comply is supported by substantial  
26 evidence of exigent circumstances preventing compliance. The waiver  
27 must be requested before the end of the third quarter of the fiscal year  
28 in which the procurement is awarded. The waiver may be granted for a  
29 period not to exceed one year and shall be reviewed for continued

1 exigency within six months after it is granted by the department.

2 (c) Exigent circumstances that will justify a waiver under (b) of  
3 this section are:

4 (1) impossibility or unreasonable difficulty in procuring  
5 articles, commodities, supplies, materials or services from small  
6 business concerns;

7 (2) inability to procure articles, supplies, materials or  
8 services from small business concerns at the lowest bid; or

9 (3) substantial differences in the quality of articles,  
10 supplies, materials or services available from small business concerns  
11 as compared to the quality of items if procured otherwise.

12 Sec. 36.30.040. REPORTS. The department shall make a report to  
13 the governor, the president of the senate, the speaker of the house of  
14 representatives, and the chairmen of the senate and house commerce  
15 committees. The report shall be made no later than 15 days after the  
16 opening of each regular legislative session. The report shall advise  
17 the governor, the speaker, the president, and the designated chairmen  
18 concerning the administration and effect of this chapter.

19 Sec. 36.30.050. SMALL BUSINESS ADVISORY COUNCIL. There is estab-  
20 lished in the department an Advisory Council on Small Business Assis-  
21 tance in State Procurement.

22 Sec. 36.30.060. COMPOSITION. The advisory council consists of 10  
23 members to be selected as follows:

24 (1) five members appointed by the governor;

25 (2) two members appointed by the president of the senate;

26 (3) two members appointed by the speaker of the house of  
27 representatives;

28 (4) one member appointed by the commissioner to serve ex  
29 officio as chairman of the council.

1           Sec. 36.30.070. TERM OF OFFICE. The members of the council  
2 appointed under sec. 60 of this chapter serve terms of four years.

3           Sec. 36.30.080. COMPENSATION, PER DIEM, OR EXPENSES. Members of  
4 the advisory council under this chapter are not entitled to a salary,  
5 but are entitled to per diem, reimbursement for travel and other ex-  
6 penses authorized by law for other boards.

7           Sec. 36.30.090. DUTIES. The advisory council shall assist the  
8 commissioner in the following matters:

9                   (1) preparation of recommendations for the administration or  
10 amendment of the Small Business Assistance Act (AS 36.30.);

11                   (2) submission of comments on the department's report re-  
12 quired under sec. 40 of this chapter;

13                   (3) preparation of recommendations for the adoption of admin-  
14 istrative regulations necessary to accomplish the policy announced in  
15 sec. 10 of this chapter; and

16                   (4) existing as a responsive body through which small business  
17 concerns can communicate with the department about the administration of  
18 the Small Business Assistance Act (AS 36.30).

19           Sec. 36.30.200. DEFINITIONS. In this chapter,

20                   (1) "commissioner" means the commissioner of the Department  
21 of Administration;

22                   (2) "department" means the Department of Administration;

23                   (3) "small business concern" means any business entity or-  
24 ganized for profit doing business in the state and complying with the  
25 requirements under ch. 10 of this title which is independently owned and  
26 operated and has

27                           (A) fewer than 100 employees; or

28                           (B) less than \$1,000,000 in gross receipts a year.

29           Sec. 36.30.210. SHORT TITLE. This chapter may be cited as the

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Small Business Assistance Act.

\* Sec. 2. This Act takes effect on July 1, 1978.

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