

Introduced: 2/13/79
Referred: Commerce and
Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 151

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and pro-
7 viding 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 vigor-
13 ous competition. Only through the existence of such competition can
14 free entry into business and opportunities for personal initiative and
15 individual achievement be assured. The preservation and expansion of
16 competition is essential for the economic well-being of the citizens of
17 Alaska. In order to promote such competition, small business concerns
18 must be encouraged, and it is the declared policy of the state to insure
19 that a fair proportion of all state contracts or subcontracts for prop-
20 erty, commodities and services be awarded to small business concerns.

21 Sec. 36.30.020. POWERS AND DUTIES OF THE DEPARTMENT. The depart-
22 ment 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" under the provisions of this
28 chapter and designate individual concerns as "small business concerns"
29 as defined in AS 36.30;

1 (3) obtain information concerning the methods and practices
2 of prime contractors in awarding subcontracts, and take action to en-
3 courage the award of subcontracts by prime contractors to small business
4 concerns at prices and on conditions and terms which are fair and equit-
5 able;

6 (4) require reports from state agencies engaged in procure-
7 ment or in the financing of procurement which disclose the award of
8 contracts and subcontracts, procurement of articles, commodities, mate-
9 rials, supplies or services and the proportion of these procurement
10 contracts and subcontracts that are awarded to small business concerns;

11 (5) make quarterly recommendations throughout the fiscal year
12 to state agencies engaged in procurement, based on the reports required
13 in (4) of this section, concerning the level of procurement activity
14 required by AS 36.30.030(a); and

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

17 Sec. 36.30.030. SMALL BUSINESS PROCUREMENT. (a) Each state
18 agency engaged in procurement or in the financing of procurement shall
19 procure or direct a person receiving state financing to procure at least
20 10 per cent of the annual value of all procurements by that agency or
21 person from small business concerns designated or qualifying for desig-
22 nation under AS 36.30.020(2).

23 (b) Procurements from small business concerns required in (a) of
24 this section may be waived by the commissioner if he determines that the
25 state agency's inability to comply is supported by substantial evidence
26 of exigent circumstances. A waiver must be requested before the end of
27 the third quarter of the fiscal year in which the procurement contract
28 is to be awarded. A waiver may be granted for a period not to exceed
29 one year and shall be reviewed for continued exigency within six months

1 after it is granted by the commissioner.

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

4 (1) impossibility or unreasonable difficulty in procuring
5 articles, commodities, supplies, materials or services from small busi-
6 ness 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 elsewhere.

12 Sec. 36.30.040. REPORTS. The department shall report to the
13 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 contain
17 an analysis of the administration and effect of this chapter.

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

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

23 (1) five members appointed by the governor;

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

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

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

29 Sec. 36.30.070. TERM OF OFFICE. The members of the council

1 appointed under AS 36.30.060 serve terms of four years.

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

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

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

10 (2) review of the report required under AS 36.30.040;

11 (3) preparation of recommendations for the adoption of regu-
12 lations necessary to accomplish the policy announced in AS 36.30.010;
13 and

14 (4) serving as a responsive body through which small business
15 concerns may communicate with the department about the administration of
16 the Small Business Assistance Act (AS 36.30).

17 Sec. 36.30.200. DEFINITIONS. In this chapter,

18 (1) "commissioner" means the commissioner of the Department
19 of Administration;

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

21 (3) "small business concern" means any business entity or-
22 ganized for profit doing business in the state and complying with the
23 requirements under AS 36.10, which is independently owned and operated
24 and has

25 (A) fewer than 100 employees; or

26 (B) less than \$1,000,000 in gross receipts a year;

27 (4) "state agency" means a department, board, commission,
28 officer, division, public corporation, bureau, or other administrative
29 unit forming the state government and includes the University of Alaska.

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Sec. 36.30.210. SHORT TITLE. This chapter may be cited as the
Small Business Assistance Act.

* Sec. 2. This Act takes effect July 1, 1979.