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1 IN THE HOUSE

2 HOUSE BILL NO. 352

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to competitive bidding requirements
7 for recipients of state grants; and providing for an
8 effective date."

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

10 * Section 1. PURPOSE. The legislature finds competitive bidding to be
11 the best procedure to prevent favoritism and assure timely completion of
12 the construction or repair of a public facility at the lowest price and of
13 the highest quality. The purpose of this Act is to ensure that a recipient
14 of a state grant or appropriation utilizes competitive bidding procedures
15 in awarding a construction or repair contract financed with the state
16 money.

17 * Sec. 2. AS 37.05.315(a) is amended to read:

18 (a) When an amount is appropriated or allocated as a grant to a
19 municipality, the Department of Administration shall promptly notify
20 the municipality of the availability of the grant. When the Depart-
21 ment of Administration receives an agreement executed by the munici-
22 pality that [WHICH] provides that the municipality [(1)] will (1)
23 spend the grant for the purposes specified in the appropriation or
24 allocation; (2) [WILL] allow, on request, an audit by the state of the
25 uses made of the grant; [AND] (3) assure [ASSURES] that, to the extent
26 consistent with the purpose of the appropriation or allocation, the
27 facilities and services provided with the grant will be available for
28 the use of the general public; and (4) comply with AS 37.05.322. the
29 Department of Administration shall pay the grant directly to the

1 municipality. The agreement executed by a municipality under this
2 section shall be on a form furnished by the Department of Adminis-
3 tration and shall be executed within 60 days after the effective date
4 of the appropriation or allocation.

5 * Sec. 3. AS 37.05.316 is amended to read:

6 Sec. 37.05.316. GRANTS TO NAMED RECIPIENTS. When an amount is
7 appropriated or allocated to a department as a grant for a named
8 recipient that [WHICH] is not a municipality, the department to which
9 the appropriation or allocation is made shall promptly notify the
10 named recipient of the availability of the grant and request the named
11 recipient to submit a proposal to provide the goods or services speci-
12 fied in the appropriation act, or both, for which the appropriation or
13 allocation is made. At the same time, the department may issue a
14 request for proposals from other qualified persons to provide the same
15 goods or services, or both, in the same area. The department shall
16 contract with the named recipient unless the Office of the Governor,
17 with due regard for any local expertise or experience among those
18 making proposals, determines that an award of the contract to a dif-
19 ferent party would better serve the public interest. If the contract
20 is awarded to another party than that named by the legislature, the
21 basis of that action shall be stated in writing at the time the grant
22 is issued and a copy of the written statement shall be sent to the
23 Legislative Budget and Audit Committee. A contract shall be executed
24 within 60 days after the effective date of the appropriation or allo-
25 cation. The purchase of the goods or services, or both, shall be in
26 accordance with AS 37.05.230(1)(B), and the recipient must agree in
27 writing to comply with AS 37.05.322.

28 * Sec. 4. AS 37.05.317(2) is amended to read:

29 (2) The Department of Community and Regional Affairs shall

1 determine if there is a qualified incorporated entity in the community
2 area that will agree to receive the grant and administer it, subject
3 to terms generally applicable to private grantees, and will agree in
4 writing to comply with AS 37.05.322. If there is more than one such
5 entity, the Department of Community and Regional Affairs shall select
6 the most qualified and the grant shall be awarded to that incorporated
7 entity for the purposes specified in the appropriation act. However,
8 the Department of Community and Regional Affairs shall give preference
9 to a nonprofit corporation organized by a community for receipt of the
10 grant.

11 * Sec. 5. AS 37.05 is amended by adding a new section to read:

12 Sec. 37.05.322. COMPETITIVE BIDDING REQUIREMENTS. (a) A recip-
13 ient of a state grant for a project shall award a contract to be paid
14 for with money from the grant on the basis of competitive bids. The
15 recipient shall solicit bids by publishing notice calculated to reach
16 prospective bidders in a newspaper with statewide circulation and in a
17 newspaper serving the area within which the project is located.
18 Notice shall be published for at least three consecutive week days and
19 at least 21 days before bids are opened. Notices shall also be posted
20 in public places in the area within which the project is located.
21 Bids must be sealed when received and must be opened in public at the
22 hour stated in the notice.

23 (b) The recipient shall award the contract to the lowest respon-
24 sive and responsible bidder, or it may reject all bids. If a satis-
25 factory bid is not received, the recipient may solicit new bids in
26 accordance with (a) of this section.

27 (c) If the recipient is a municipality that has adopted a com-
28 petitive bidding ordinance that substantially meets the requirements
29 of this section, the municipality shall comply with the ordinance and

1 is exempt from the bidding requirements of this section.

2 (d) This section applies if the

3 (1) grant is for the repair or construction of a public
4 facility or the improvement of real property;

5 (2) recipient contracts with another to provide services or
6 materials using money from the grant for payment; and

7 (3) amount of the contract exceeds \$100,000.

8 * Sec. 6. This Act takes effect July 1, 1985.