

Offered: 3/4/87  
Referred: Finance

5-0307B

Original sponsors: Donley and Grussendorf

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 45 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to an Alaska business bidder prefer-  
7 ence; and providing for an effective date."

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

9 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that due  
10 to the state's noncontiguous geographic location and unique climate, busi-  
11 ness dealings with non-Alaskan firms produce administrative expenses not  
12 commonly incurred in business dealings with resident businesses.

13 (b) The purpose of the Alaska business bidder preference when the  
14 state acts as a market participant is to reduce state administrative costs,  
15 strengthen the state's tax and revenue base, encourage local industry,  
16 reduce unemployment and the social ills it creates, and to strengthen and  
17 stabilize the state's economy.

18 \* Sec. 2. AS 36.30.170(a) is amended to read:

19 (a) Except as provided in (b) and (c) of this section, the  
20 procurement officer shall award a contract based on the solicited bids  
21 with reasonable promptness by written notice to the lowest responsible  
22 and responsive bidder whose bid conforms in all material respects to  
23 the requirements and criteria set out in the invitation to bid.

24 \* Sec. 3. AS 36.30.170(b) is repealed and reenacted to read:

25 (b) The procurement officer shall award a contract based on  
26 solicited bids to the lowest responsible and responsive Alaska bidder  
27 if the bid, after receiving a preference applicable to the bid under  
28 AS 36.30.322 - 36.30.338, is not more than

29 (1) five percent higher than the lowest nonresident

1 bidder's and the contract is \$500,000 or more;

2 (2) 10 percent higher than the lowest nonresident bidder's  
3 and the contract is more than \$100,000 and less than \$500,000;

4 (3) 15 percent higher than the lowest nonresident bidder's  
5 and the contract is more than \$25,000 and \$100,000 or less; or

6 (4) 20 percent higher than the lowest nonresident bidder's  
7 and the contract is \$25,000 or less.

8 \* Sec. 4. AS 36.30.170(c) is amended to read:

9 (c) Notwithstanding (b)(1) of this section, if [IF] a bidder  
10 qualifies under (d) [(b)] of this section as an Alaska bidder, is  
11 offering services through an employment program as defined under  
12 AS 36.30.100(c), [AND] is the lowest responsible and responsive bidder  
13 with a bid that is not more than 10 percent higher than the lowest bid  
14 of a nonresident, and the contract is \$500,000 or more, the procure-  
15 ment officer shall award the contract to that bidder. If the contract  
16 is less than \$500,000, the provisions of (b)(2) - (4) of this section  
17 apply to the contract.

18 \* Sec. 5. AS 36.30.170 is amended by adding a new subsection to read:

19 (d) In this section, "Alaska bidder" means a person who

20 (1) holds a current Alaska business license;

21 (2) does more than \$1,000,000 worth of annual business in  
22 the state or performs more than 50 percent of the person's annual  
23 business in the state, whichever is less;

24 (3) has maintained a permanent place of business in the  
25 state staffed by the bidder or an employee of the bidder for a period  
26 of six months immediately preceding the date of the bid;

27 (4) submits a bid for goods or services under the name that  
28 appears on the person's current Alaska business license;

29 (5) is incorporated or qualified to do business under the

1 laws of the state, is a sole proprietorship and the proprietor is a  
2 resident of the state, or is a partnership and all partners are resi-  
3 dents of the state; and

4 (6) if a joint venture, is composed entirely of persons  
5 who qualify under (1) - (5) of this subsection.

6 \* Sec. 6. AS 36.30.336 is amended to read:

7 Sec. 36.30.336. APPLICATION. Notwithstanding other provisions  
8 of this chapter, AS 36.30.322 - 36.30.338 apply to all procurements  
9 subject to AS 36.30, except as provided in AS 36.30.322(b) [AS 36.30.-  
10 170(b) AND 36.30.322(b)].

11 \* Sec. 7. AS 36.30.900 is amended to read:

12 Sec. 36.30.900. PREFERENCE FOR ALASKA PRODUCTS. This chapter  
13 does not modify, amend, or alter AS 36.15.010 and 36.15.020 regarding  
14 preference for Alaska forest products, or AS 36.20.010 regarding  
15 preference to producers or dealers in Alaska [EXCEPT AS PROVIDED IN  
16 AS 36.30.170(b) AND (c)].

17 \* Sec. 8. This Act takes effect July 1, 1987.