

Original sponsors: Frank and Menard

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

CS FOR HOUSE BILL NO. 523 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to a preference for recycled products in state, municipal, and school district procurements."

7

8

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

10

\* Section 1. AS 14.03 is amended by adding a new section to read:

11

Sec. 14.03.085. PROCUREMENT PREFERENCE. A school district shall comply with AS 29.71.040, except that in AS 29.71.040(a) - (e) and (g), "municipal" and "municipality" are read as "school district." In this section, "school district" does not include regional educational attendance areas.

12

13

14

15

16

\* Sec. 2. AS 29.10.200 is amended by adding a new paragraph to read:

17

(49) AS 29.71.040 (procurement preferences)

18

\* Sec. 3. AS 29.71 is amended by adding a new section to read:

19

Sec. 29.71.040. PROCUREMENT PREFERENCES. (a) Alaska recycled products shall be used in municipal procurements when the products are of comparable quality, of equivalent price, and appropriate for the intended use.

20

21

22

23

(b) Unless the procurement is governed by AS 36.15.050, in the evaluation of a bid or proposal for a procurement by a municipality, if a bid or proposal designates the use of recycled Alaska products for the products identified in the contract specifications, and if the recycled Alaska products meet the contract specifications, the bid or offer shall be decreased by the percentage of preference given to the recycled Alaska products under AS 36.30.332.

24

25

26

27

28

29

1 (c) The contract specifications for a municipal procurement must  
2 include a provision that describes the preference granted under (b) of  
3 this section.

4 (d) If a successful bidder or offeror who receives the prefer-  
5 ence under (b) of this section fails to use the designated recycled  
6 Alaska product for a reason within the control of the successful  
7 bidder or offeror, each payment under the contract shall be reduced by  
8 the percentage reduction scheduled under AS 36.30.330(a) for the  
9 classification the product has received under AS 36.30.332.

10 (e) In the evaluation of a bid or proposal for a municipal  
11 procurement, a person is not a responsible bidder or offeror if,  
12 during two contracts for which the person received a preference under  
13 (b) of this section during the preceding three years, the person  
14 failed to use the recycled Alaska product designated in the person's  
15 bids or proposals for the contracts for reasons within the control of  
16 the bidder or offeror.

17 (f) This section applies to home rule and general law municipal-  
18 ities.

19 (g) In this section, "recycled Alaska product" has the meaning  
20 given in AS 36.30.338.

21 \* Sec. 4. AS 36.30.324 is amended to read:

22 Sec. 36.30.324. USE OF ALASKA PRODUCTS. Alaska products shall  
23 be used whenever practicable in procurements for an agency. Recycled  
24 Alaska products shall be used when they are of comparable quality, of  
25 equivalent price, and appropriate for the intended use.

26 \* Sec. 5. AS 36.30.332(a) is amended to read:

27 (a) The commissioner of commerce and economic development shall  
28 adopt regulations establishing the value added in the state for mate-  
29 rials and supplies produced or manufactured in the state that are used

1        in a state procurement and establishing whether a product qualifies as  
2        a recycled Alaska product. The commissioner [AND] shall publish a  
3        list of the products annually. A supplier may request inclusion of  
4        its product on the appropriate list.

5        \* Sec. 6. AS 36.30.338 is amended by adding a new paragraph to read:

6                (4) "recycled Alaska product" means an Alaska product of  
7        which not less than 50 percent of the value of the product consists of  
8        a product that was previously used in another product, if the re-  
9        cycling process is done in the state.