

Original sponsor(s): Judiciary Committee

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 570 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to state procurement."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 * Section 1. AS 36.30.015(e) is amended to read:
9 (e) The board [BOARDS] of directors of [THE ALASKA RAILROAD
10 CORPORATION AND] the Alaska State Housing Authority shall adopt proce-
11 dures to govern the procurement of supplies, services, professional
12 services, and construction [BY THE CORPORATION]. The procedures must
13 be substantially equivalent to the procedures prescribed in this
14 chapter and in regulations adopted under this chapter.
15 * Sec. 2. AS 36.30 is amended by adding a new section to read:
16 Sec. 36.30.035. ALASKA RAILROAD CORPORATION. The board of
17 directors of the Alaska Railroad Corporation shall adopt and publish
18 procedures to govern the procurement of supplies, services, profes-
19 sional services, and construction. The procedures must meet accepted
20 railroad industry standards under AS 42.40.100.
21 * Sec. 3. AS 36.30.040(b) is amended by adding a new paragraph to read:
22 (17) cost-plus-a-percentage-of-cost contract provisions
23 allowed under AS 36.30.370.
24 * Sec. 4. AS 36.30.100(b) is amended to read:
25 (b) Competitive sealed bidding is not required
26 (1) when the commissioner determines in writing that food,
27 clothing, or medical supplies, or supplies [MATERIALS] for use in
28 laboratory or medical studies may be purchased otherwise to the best
29 advantage of the state;

- 1 (2) [WHEN RATES ARE FIXED BY LAW OR ORDINANCE;
2 (3)] for the purchase of products or services manufactured
3 or provided by an employment program; or
4 (3) [(4)] for the purchase of products or services provided
5 by the correctional industries program established under AS 33.32 [;
6 (5) FOR PROFESSIONAL SERVICES; OR
7 (6) FOR CONCESSIONS OPERATED ON STATE PROPERTY].

8 * Sec. 5. AS 36.30.370 is amended to read:

9 Sec. 36.30.370. TYPES OF CONTRACTS. Subject to limitations of
10 this section, any type of contract that will promote the best inter-
11 ests of the state may be used, except that the use of a cost-plus-a-
12 percentage-of-cost contract is prohibited except as authorized by (b)
13 of this section. A cost-reimbursement contract may be used only when
14 a determination is made in writing by the procurement officer that a
15 cost-reimbursement contract is likely to be less costly to the state
16 than any other type or that it is impracticable to obtain the sup-
17 plies, services, professional services, or construction required
18 except under a cost-reimbursement contract.

19 * Sec. 6. AS 36.30.370 is amended by adding a new subsection to read:

20 (b) A construction contract may provide that the contractor
21 shall be paid on a cost-plus-a-percentage-of-cost basis for extra work
22 that could not be reasonably anticipated, if the extra work is re-
23 quired for the satisfactory completion of the project under the con-
24 tract.

25 * Sec. 7. AS 36.30.850(b) is amended by adding new paragraphs to read:

26 (22) disposals of supplies acquired through foreclosure of
27 loans issued under AS 03.10;

28 (23) purchases of curatorial and conservation services to
29 maintain, preserve, and interpret

- 1 (A) objects of art; and
2 (B) items having cultural, historical, or archaeologi-
3 cal significance to the state;
4 (24) acquisition of confidential seismic survey data neces-
5 sary for pre-sale oil and gas lease analyses under AS 38.05.180;
6 (25) contracts for village public safety officers;
7 (26) purchases of supplies and services to support the
8 operations of the Alaska state troopers or the division of fish and
9 wildlife protection if the procurement officer for the Department of
10 Public Safety makes a written determination that publicity of the
11 purchases would jeopardize the safety of personnel or the success of a
12 covert operation;
13 (27) expenditures when rates are set by law or ordinance.

14 * Sec. 8. AS 42.40.100 is amended to read:

15 Sec. 42.40.100. MANAGEMENT BY THE BOARD. The board is responsi-
16 ble for the management of the corporation but shall delegate certain
17 powers and duties to the chief executive officer in accordance with
18 AS 42.40.120. In managing the corporation the board shall

19 (1) be responsible for the management of the financial and
20 legal obligations of the Alaska Railroad;

21 (2) operate the Alaska Railroad as a common carrier subject
22 to the jurisdiction of the United States Interstate Commerce Commis-
23 sion consistent with 45 U.S.C. 1207;

24 (3) generally manage the corporation on a self-sustaining
25 basis;

26 (4) apply to the legislature for an appropriation with the
27 concurrence of the governor to be used to provide a particular service
28 that is not otherwise self-sustaining if a subsidy is required to
29 maintain that service;

1 (5) provide for safe, efficient, and economical transporta-
2 tion to meet the overall needs of the state;

3 (6) raise needed capital by issuing bonds of the corpo-
4 ration upon approval by the legislature while ensuring that borrowing
5 by the corporation does not directly or indirectly endanger the
6 state's own borrowing capacity;

7 (7) review all state and other land disposal proposals to
8 aid in planning for future development or expansion of transportation
9 services;

10 (8) adopt and publish [ENSURE THAT THE] procurement proce-
11 dures of the corporation that meet accepted railroad industry stan-
12 dards;

13 (9) ensure that the accounting procedures of the corpo-
14 ration meet generally accepted accounting principles consistent with
15 industry standards for comparable railroads.

16 * Sec. 9. AS 36.30.540(4) and 36.30.540(5) are repealed.