

COMMITTEE REPORT
SENATE

1/15/81

FURTHER: None

Date: 5/17/82

Mr. President:

The Committee on FINANCE has had CSHB 156(Rules) am

legislative contracts

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 3/26 3/15.5
5/7 30.0
5/5 0
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signatures]

CHAIRMAN

[Handwritten signature]

Amendments SCS HB 156 (Fin) 5/17/82

#1

Ferguson delete "or member" from
the bill

#2 Sturg. P. 3, L. 2 (handout)

#3 Sturg. P. 6, L. 14 (handout)

#4 Bennett P 2 L. 5

change \$10,000 to \$25,000

#5 Dankworth P. 7 L. 28

delete "his designee"

insert "a deputy commissioner"

#6 Eliason P. 3, Line 13

delete subsection (2)

#7 Eckert P. 12 Line 19

New Sub sec. 5

Financial Capability

"The Dept. shall determine the responsibility
of the bidder based on financial capability"

5/17/82
Adopted #
2

SENATE AMENDMENT

By Sturgulewski

To: _____ SENATE BILL No. _____
To: SCS for CS HOUSE BILL No. 156 (Fin)

*For
strike "member"*

PAGE: 3 LINE: 2

Add new subsection (b) to read:

(b) If the expertise required is not available to enable an agency, committee, ~~or member~~ to solicit the number of proposals otherwise required under this subsection, the agency, committee, ~~or member~~ shall solicit proposals:

(1) from each person or firm listed on the professional services contractors register maintained under AS 36.98.020 who appears to possess the required expertise;

(2) from each person or firm responding to the public notice given under (a) of this section who appears to possess the required expertise;

(3) and from any other person or firm with the required expertise of which the agency, committee, ~~or member~~ may be aware.

Re-letter remaining subsections accordingly.

5/17/82

Adepts (3)

SENATE AMENDMENT

By sturgulewski

To: _____ SENATE BILL No. _____

To: SCS for CS HOUSE BILL No. 156 (Finance)

PAGE: 6 LINE: 14

After the word "state," add language to read:

"and, where appropriate, in a newspaper in local circulation where the work is to be performed."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3820

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 14, 1982

SUBJECT: Public contracts
(SCS CSHB 156 (Finance))

TO: Senator Arliss Sturgulewski
Attn: Glen Svendsen

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

The subject of Senate CS for CSHB 156 (Finance) is public contracts generally and more specifically procedures to be followed in letting certain contracts.

Section 1 adds an exception for professional service contracts to the general rule that highway contracts be let under bid.

Section 2 adds an exception for professional service contracts to the general rule that public facility contracts be let under bid.

Section 3 creates a new chapter establishing rules for legislative contract procedures.

AS 24.23.010 sets forth the application of the new chapter. The chapter applies to legislative contracts generally, but exempts (1) professional service contracts if awards to a person within twelve months are \$10,000 or less; (2) written employment contracts involving direct supervision; (3) contracts let by competitive bid under AS 37.05.230; and (4) contracts with municipalities and other state agencies.

AS 24.23.020 requires solicitation of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. Formal advertising or the professional contractors services register, established later in this bill may be used in the solicitation process.

May 14, 1982

Requests for proposals are not necessary for sole source contracts. The exemption for a sole source contract must be justified by a written statement which is to be considered a public record.

AS 24.23.030. Contracts for the Legislative Affairs Agency shall be approved by the Legislative Council while contracts for the Legislative Finance or Audit Divisions shall be approved by the Legislative Budget and Audit Committee.

AS 24.23.040. A contract awarded by a legislative committee must be authorized by a majority vote of the committee. Contracts must be approved as to form by the Director of the Legislative Affairs Agency or the Director of the Legislative Finance or Legislative Audit Divisions and also by legislative legal counsel. Contracts shall contain the amount, period of performance, description of services, and a certification that sufficient money is available for the contract.

AS 24.23.050. Before final payment a written evaluation of the services provided under the contract must be prepared.

AS 24.23.060. Contracts, exemptions and requests for proposals are to be filed and open for public inspection.

AS 24.23.070 includes definition of professional services. This definition is the same which is used in the general chapter created later in this bill (AS 36.98) for professional services contracts.

Section 4 of the bill instructs the ombudsman to adopt regulations consistent with AS 24.23 to be followed by that office and specifically exempts investigative contracts of that office from the request for proposals procedure.

Section 5 of the bill creates a new chapter for professional services contracts which are entered into by the executive ~~and judicial~~ branches of state government as well as the University of Alaska.

AS 36.98.010. The new chapter applies to contracts for professional services generally but exempts (1) contracts for \$25,000 or less; (2) written employment contracts involving direct supervision; and (3) contracts let by competitive bid under AS 37.05.230.

AS 36.98.020. The Commissioner of the Department of Administration, the Commissioner of the Department of Transportation and Public Facilities, ~~and the court~~ ^{AG} ~~administrator~~ shall establish and maintain a professional services contractors register. Persons or firms may submit statements of qualifications and other information required by the commissioner for inclusion on the register.

AS 36.98.030. Public notice soliciting proposals for professional service contracts is required. A state agency shall also review the register and provide a request for proposals to each contractor on the register which the agency finds is qualified for consideration. Requires solicitations of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. If the required number of proposals cannot be obtained due to lack of available expertise, state agencies shall at least solicit proposals from each person or firm on the register who appears qualified and from each person or firm responding to the public notice who appears qualified. Sole source contracts are exempt from the provisions of this section but require a written submission to the commissioner containing the reasons for the exemption. This section also does not apply in cases of public necessity or where the service is to be provided by another governmental agency.

AS 36.98.040 provides for uniform evaluation of contracts. Contracts must be submitted to the commissioner for review and approval. Contracts shall contain the amount, the period of performance, description of the services, and a certification that sufficient funds are available for the contract. Contracts which contain terms not typically included in the state standard form shall be reviewed by the Department of Law prior to award.

AS 36.98.050. Contracts are to be administered and monitored by the agency awarding the contract. At the completion of the contract the agency shall prepare a written evaluation of the services performed.

AS 36.98.060 Copies of contracts and requests for proposals shall be filed and open for public inspection.

AS 36.98.070. The commissioner shall adopt regulations, including grievance procedures concerning the manner of the

preparation and processing of professional services contracts.

AS 36.98.080. Definitions are self-explanatory. One unusual point is that in this chapter, commissioner means commissioner of the Department of Administration except for (1) those contracts issued by the Department of Transportation and Public Facilities in which case the word "commissioner" means the commissioner of transportation and public facilities; and ~~(2) those contracts with the judicial branch in which case "commissioner" means the administrative director of the court system.~~ (AS)

Section 6 raises the amount from \$2,500 to \$5,000 above which sealed bid procedures are to be used for state contracts generally. Also allows for limiting the solicitation of bids.

Section 7 of the bill raises the amount from \$2,500 to \$5,000 below which contractual services for state contracts generally may be obtained either by competitive bid or in the open market. Also raises the limit for "small purchases" which can be made on the open market from \$300 to \$500.

Section 8 merely identifies the addition of AS 24.23 and AS 36.98 to the state law.

Section 9 clarifies the criteria to be used in determining the lowest responsible bidder for contracts let under competitive bid. Provides for the application of AS 24.23 or AS 36.98 when making awards for professional service contracts.

Section 10. Only bids or proposals for professional services issued after the effective date of this will be subject to the new rules.

Section 11 provides for an immediate effective date.

TAS:ljb

Original sponsor: Rules Committee

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to public contracts; and providing for an effective date."

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

* Section 1. AS 19.10.170(a) is amended to read:

(a) Except as provided in AS 36.98 and AS 44.33.300, it shall be the general policy of the department to require the construction of all highways under bid contract. However, subject to the provisions of (b) of this section, when the estimated cost of a construction project is less than \$100,000 or when it appears to be in the best interests of the state, the department may perform the work notwithstanding any other provisions of law.

* Sec. 2. AS 35.15.010(a) is amended to read:

(a) Except as provided in AS 36.98 and AS 44.33.300, it shall be the general policy of the department to require the construction of all public works under bid contract. However, when the estimated cost of a construction project is less than \$100,000, or when it appears to be in the best interests of the state, the department may perform the work, notwithstanding any other provisions of law. A complete record shall be kept by the commissioner or his designee of all transactions entered into under this section including names of employees involved in the transactions.

* Sec. 3. AS 24 is amended by adding a new chapter to read:

CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

Sec. 24.23.010. APPLICATION. This chapter applies to contracts

for services to be provided to a legislative agency, legislative committee, ~~or member~~ of the legislature unless

(1) the total amount of a professional services contract or contracts awarded to a person from a legislative agency, legislative committee, or member of the legislature does not exceed ~~\$10,000~~^{25,000} in a 12-month period;

(2) the contract is a written employment contract for services to be performed under direct supervision regardless of the existence of an employer-employee relationship and the person responsible for awarding the contract certifies that the services will be performed under direct supervision of the person responsible for awarding the contract and the contract is filed with the Legislative Affairs Agency;

(3) the contract is awarded based on competitive bids obtained under the competitive bid procedure provided in AS 37.05.230; or

(4) the required services are to be provided by an agency or department of the state government or by a municipality.

Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written request for proposals soliciting an offer to perform the required services under a contract must be extended to a sufficient number of providers of the required services to assure that public interest in competition is adequately served. Proposals from at least six firms shall be solicited for contracts equal to or greater than \$100,000. Proposals from at least three firms shall be solicited for contracts of less than \$100,000. Formal advertising in a medium that will reasonably bring the proposal to the attention of persons able to provide the required services may be substituted for direct solicitation or used jointly with direct solicitation of proposals. The professional services contractors register (AS 36.98.020) maintained by the Department of Administration and the Department of Transportation and Public Facilities may be used in soli-

citing proposals under this section.

add Amend. #2

(b) A request for proposals need not be extended under this section if there is a single source of the required services or if one person or firm can clearly perform the required services more satisfactorily because of the person's or firm's prior work.

(c) The exemption in (b) of this section applies only if

d
(1) a legislative committee by vote of the majority of its members has approved the exemption and a written justification signed by the person responsible for awarding the contract that details the reasons for the exemption is filed under AS 24.23.060 as a public record; a contract proposed for awarding under the exemption in (b) of this section must be approved by the committee before it is valid; or

with Perry
deleted *Deleted*
~~(2) a member of the legislature has approved the exemption and a written justification signed by that member of the legislature that details the reason for the exemption is filed under AS 24.23.060.~~

Sec. 24.23.030. PREPARATION AND ACCEPTANCE OF PROPOSALS. (a) A proposal for a contract shall be self-contained and written with care and thoroughness. A proposal for a contract may be accepted only if it represents a sound approach to providing the required services.

(b) A contract for the Legislative Affairs Agency shall be approved by the Legislative Council. A contract for the legislative finance division or the legislative audit division shall be approved by the Legislative Budget and Audit Committee.

(c) A legislative committee or member of the legislature may request the Legislative Affairs Agency, the legislative finance division or the legislative audit division to carry out the responsibilities set out in (a) of this section.

Sec. 24.23.040. AWARD OF CONTRACT. (a) If a contract is awarded by a legislative committee, execution of the contract must be authorized

by a majority vote of the full membership of the committee.

(b) A contract must be executed by the provider of the service and the person responsible for awarding the contract and be approved as to form by the executive director of the Legislative Affairs Agency, the director of the legislative finance division, or the legislative audit division and also by legislative legal counsel.

(c) A contract awarded under this chapter shall contain

- (1) the amount of the contract stated on its first page;
- (2) the date for the work to begin;
- (3) the date by which the work must be completed;
- (4) a description of the services to be performed under the contract; and

- (5) a certification that sufficient money is available in an appropriation to be encumbered for the amount of the contract.

Sec. 24.23.050. EVALUATION. If a contract is awarded by a legislative committee, the committee or the project director must provide a written evaluation of the services provided under the contract before final payment on the contract may be made. The evaluation shall be filed under AS 24.23.060 and is open for public inspection.

Sec. 24.23.060. FILING. (a) A copy of each contract and each exemption granted under AS 24.23.020(b) must be filed, as is appropriate, with the Legislative Affairs Agency, the ombudsman, the legislative finance division, or the legislative audit division, and is open for public inspection. The request for proposals and each proposal submitted must be attached to the filed copy unless the contract is one in which requests for proposals are not required.

(b) A contract for services provided to the legislative audit division in the preparation of an audit report is not required to be filed under (a) of this section until the audit report is released under

AS 24.20.311.

Sec. 24.23.070. DEFINITION. In this chapter "professional services" means professional, technical, or consultant's services that are predominantly intellectual in character and that

(1) include analysis, evaluation, prediction, planning, or recommendation; and

(2) result in the production of a report or the completion of a task.

* Sec. 4. AS 24.55 is amended by adding a new section to read:

Sec. 24.55.275. CONTRACT PROCEDURES. The ombudsman shall adopt by regulation procedures consistent with AS 24.23 to be followed by the office of the ombudsman in contracting for services. However, the procedure for requests for proposals does not apply to contracts for investigations under AS 24.55.100.

* Sec. 5. AS 36 is amended by adding a new chapter to read:

CHAPTER 98. PROFESSIONAL SERVICES CONTRACTS.

Sec. 36.98.010. APPLICATION. This chapter applies to contracts for professional services provided to a state agency unless

(1) the total amount of a contract does not exceed \$25,000;

(2) the contract is an employment contract for services to be performed under direct supervision regardless of the existence of an employer-employee relationship and a written justification signed by the person responsible for awarding the contract is filed with the commissioner;

(3) the contract is awarded based on competitive bids obtained under the procedure provided in AS 37.05.230.

Sec. 36.98.020. PROFESSIONAL SERVICES CONTRACTORS REGISTER. (a) The commissioner shall establish and maintain a professional services contractors register:

(b) A person or firm who desires to provide professional services to a state agency may submit to the commissioner a statement of qualifications and performance data, and any other information that the commissioner, by regulation, may require.

(c) The commissioner may at any time require the person or firm to revise the statement of qualifications and performance data or any other information submitted by the person or firm if the commissioner believes that the credentials or record of experience of the person have materially changed since the last filing by the person or firm.

Sec. 36.98.030. SOLICITATION OF SERVICES. (a) When a state agency proposes to enter into a contract for professional services, the agency shall give public notice soliciting proposals for the professional services contract by publication at least three times in one or more newspapers in general circulation in the state, ^{and where appropriate, in a newspaper in 1001} ~~the first notice~~ ^{circulated, before the date} shall be published not less than 30 days before the date on which the agency expects to enter into the contract and each subsequent notice shall be published at intervals of no more than three days thereafter. The notice shall include

- (1) a general description of the proposed project for which the agency is seeking professional services; and
- (2) the procedure by which a person or firm interested in the professional services contract may make its proposal to the agency for consideration for the contract.

(b) In addition to complying with the publication requirements of (a) of this section, when a state agency proposes to enter into a contract for professional services it shall

- (1) review the register of professional services contractors maintained by the commissioner under AS 36.98.020; and
- (2) provide a request for proposals for the proposed profes-

sional services contract to each prospective contractor who, after review of the register of professional services contractors under (1) of this subsection, the agency finds is qualified for consideration for the contract.

(c) A request for proposals must be extended to a sufficient number of prospective providers of the required services to assure that public interest in competition is adequately served. Proposals from at least six persons or firms with the required expertise shall be solicited for contracts equal to or greater than \$100,000. Proposals from at least three persons or firms with the required expertise shall be solicited for contracts of less than \$100,000 if the expertise required is available. If the expertise required is not available to enable an agency to solicit the number of proposals otherwise required under this subsection, the agency shall solicit proposals

(1) from each person or firm listed on the professional services contractors register maintained under AS 36.98.020 who appears to possess the required expertise;

(2) from each person or firm responding to the public notice given under (a) of this section who appears to possess the required expertise.

(d) The provisions of this section do not apply if

(1) the contracting agency demonstrates that there is a single source of the expertise or knowledge required or that one person or firm can clearly perform the required tasks more satisfactorily because of the person's or firm's prior work; however, this exemption applies only when the head of the state agency has submitted a written request to the commissioner that details the reasons for the exemption and the commissioner or ~~his designee~~ ^{a deputy commissioner} has authorized in writing the state agency to enter contract negotiations with the single source;

(2) the commissioner makes a written determination that public necessity will not permit delay incident to the procedures otherwise required by this chapter; or

(3) the service is to be provided by another state agency, a federal agency, or a political subdivision of the state.

(e) A request for proposals must contain a description of the work to be performed under the contract and the terms under which the work is to be performed. A request for proposals must contain that information necessary for a prospective contractor to submit a response or contain references to any information that cannot reasonably be included with the request. The request for proposals must provide a description of the factors that will be considered by the state agency when it evaluates the proposals received.

(f) Nothing in this section limits the authority of an agency to use additional means that it may consider appropriate to notify prospective contractors that it proposes to enter into a contract for professional services.

Sec. 36.98.040. AWARD OF CONTRACT. (a) After the responses are submitted, the state agency shall evaluate them. The evaluation shall consist of assigning point values to factors considered by the agency in evaluating each proposal. All proposals received must be evaluated using the same factors as those set out in the request for proposal.

(b) The contract must be executed by the contractor and the project director for the contracting agency and be approved by the head of the contracting agency or his designee. If a contract is made by a board or commission, execution of the contract on behalf of the board or commission must be authorized by the board or commission.

(c) A contract subject to this chapter must be submitted to the commissioner for review and approval and, if approved, is effective from

the date of the approval. A state agency must clearly provide in the request for proposal that the state is not obligated to perform under the contract until the approval required by this subsection is granted.

(d) A contract awarded under this chapter shall contain:

- (1) the amount of the contract stated on its first page;
- (2) the date for the work to begin;
- (3) the date by which the work must be completed;
- (4) a description of the services to be performed under the contract; and
- (5) a certification by the project director for the contracting agency, the head of the contracting agency, or his designee that sufficient funds are available in an appropriation to be encumbered for the amount of the contract.

(e) If the contract contains terms that are not provided in a state standard form contract or if the standard terms are deleted or modified by other terms that are not standard, the contract must be reviewed by the Department of Law and approved as to form. The review and approval required by this subsection must be completed before approval of the award of the contract by the commissioner under (c) of this section.

Sec. 36.98.050. CONTRACT ADMINISTRATION. (a) When a state agency has entered into a professional services contract, that agency is responsible for the diligent administration and monitoring of the performance of the provisions of the contract.

(b) When a professional services contract has been completed, the contracting state agency shall evaluate the performance of the contractor under the contract and shall report on and evaluate the use of the final product of the professional services contract. A copy of the report and evaluation prepared under this subsection shall be transmitted to the

1 commissioner and shall be retained by the commissioner for as long as
2 the commissioner is required to maintain copies of completed contracts.

3 Sec. 36.98.060. FILING. A copy of each contract and the response
4 to the request for proposal upon which the contract was awarded must be
5 filed with both the commissioner and the contracting state agency and is
6 open for public inspection. The request for proposal and the name and
7 address of each person who submitted a response to it must also accompany
8 the filed copies.

9 Sec. 36.98.070. CONTRACT PROCEDURES. The commissioner shall, by
10 regulation adopted in accordance with the Administrative Procedure Act
11 (AS 44.62), establish the manner and form by which state professional
12 services contracts shall be prepared and processed, including, but not
13 limited to, a review process for persons aggrieved under this chapter.

14 Sec. 36.98.080. DEFINITIONS. In this chapter

15 (1) "commissioner" means the commissioner of administration;
16 except that for contracts entered into by the Department of Transporta-
17 tion and Public Facilities, "commissioner" means the commissioner of
18 transportation and public facilities;

19 (2) "professional services" means professional, technical, or
20 consultant's services that are predominantly intellectual in character
21 and that

22 (A) include analysis, evaluation, prediction, planning,
23 or recommendation; and

24 (B) result in the production of a report or the comple-
25 tion of a task;

26 (3) "public necessity" means an urgent public need that could
27 not have been anticipated or foreseen; the term also includes emergency
28 situations when work is necessary to protect life or property;

29 (4) "request for proposals" means a written solicitation for

1 contract proposals by prospective contractors that sets out the nature
2 of the services to be performed or product to be secured with sufficient
3 information for a qualified prospective contractor to prepare a contract
4 proposal for consideration and evaluation, by the state agency;

5 (5) "state agency" means a department, institution, board,
6 commission, division, authority, or other administrative unit of the
7 executive branch of state government, and the University of Alaska.

8 * Sec. 6. AS 37.05.230(2) is amended to read:

9 (2) if the amount of the contractual services, purchase, or
0 sale is estimated to exceed \$5,000 [\$2,500] sealed bids shall be soli-
1 cited, when practicable, by publication in a newspaper calculated to
2 reach prospective bidders and by posting notices in public places within
3 the area where the work is to be performed or material furnished and in
4 addition the department may also designate a trade journal for publica-
5 tion; the department shall also solicit bids by sending notices by mail
6 to all active prospective bidders known to it and all bids shall be
7 sealed when received, and shall be opened in public at the hour stated
8 in the notice; the department may limit the solicitation of bids or
9 negotiate directly if it finds that it is in the best interests of the
0 state;

1 * Sec. 7. AS 37.05.230(3) is amended to read:

2 (3) a contractual service, purchase or sale where the known
3 requirements are estimated to be less than \$5,000 [\$2,500] may be made
4 either upon competitive bids in accordance with (2) of this section or
5 in the open market, in the discretion of the department; but, so far as
6 practicable, shall be based on at least three competitive bids and
7 recorded as provided in AS 37.05.240; small purchases of less than \$500
8 [\$300] in the discretion of the department may be made on the open
9 market, and may be by cash payment from petty cash accounts set aside

1 for that purpose; the department shall determine the amount of the petty
2 cash accounts needed by each state agency, and inspect the petty cash
3 accounts at least once each year to determine that the total plus amounts
4 of receipts for unreplenished disbursements is equal to the fixed sum of
5 cash set aside; shortages in petty cash accounts are a personal liability
6 of the responsible head of the agency to whom the account is set aside;
7 the department shall make all necessary rules and regulations governing
8 use and replenishment of petty cash funds;

9 * Sec. 8. AS 37.05.230 is amended by adding a new paragraph to read:

0 (9) requests for and acceptance of bids or other proposals
1 for professional services shall comply with AS 24.23 or AS 36.98.

2 * Sec. 9. AS 37.05.240 is amended to read:

3 Sec. 37.05.240. AWARD OF CONTRACTS AND PURCHASES. (a) Except as
4 otherwise provided in AS 37.05.230, a [A] contract or purchase made by
5 or under the supervision of the department for which competitive bids
6 are required shall be awarded to the lowest responsible bidder. The
7 department shall determine the responsibility of the bidder based upon
8 the bidder's (1) adherence to the bid specifications, (2) proposed terms

9 of delivery, (3) compliance with state laws, (4) performance record, and
0 ~~(5) compliance with conditions imposed in the solicitation for bids.~~ ^{The Dept. shall determine the responsibility of a bidder based on financial capability.}

1 ~~(5) compliance with conditions imposed in the solicitation for bids.~~ The
2 purchasing agent may cancel the solicitation for bids before the award if
3 it is in the state's best interest. However, if the purchasing agent
4 makes the contract or purchase after the solicitation for bids is can-
5 celled, the purchase or contract shall be made in accordance with AS 37.
6 05.230(2) [, TAKING INTO CONSIDERATION CONFORMITY WITH THE SPECIFICA-
7 TIONS, TERMS OF DELIVERY, AND OTHER CONDITIONS IMPOSED IN THE CALL FOR
8 BIDS. BIDS MAY BE REJECTED, AND A BID SHALL BE REJECTED IF IT CONTAINS
9 A MATERIAL ALTERATION OR ERASURE WHICH IS NOT INITIALED BY THE SIGNER OF
0 THE BID. THE DEPARTMENT MAY REJECT THE BID OF A BIDDER WHO IS IN ARREAR

1 ON TAXES DUE THE STATE OR WHO FAILED TO PERFORM ON A PREVIOUS CONTRACT
2 WITH THE STATE. WHERE COMPETITIVE BIDS ARE REQUIRED AND WHERE ALL BIDS
3 ARE REJECTED, NEW BIDS SHALL BE CALLED FOR AS IN THE FIRST INSTANCE].

4 Before the awarding of a contract for a building or the making of repairs
5 upon a building, the department shall see that the bids conform with
6 plans and specifications approved by the Department of Transportation
7 and Public Facilities. All bids with the names of the bidders and the
8 amounts of the bids, together with all documents pertaining to the award
9 of a contract, shall be made a part of a file or record and retained by
0 the department for three years, unless reproduced by microfilming and
1 these files or records are open to public inspection at all reasonable
2 times. An aggrieved bidder may within five days after an award of
3 contract appeal to the department for hearing, with notice to interested
4 parties, for redetermination and final award in accordance with law.

5 (b) A contract for professional services shall be awarded in
6 accordance with AS 24.23 or AS 36.98.

7 * Sec. 10. This Act applies to requests for bids or proposals for profes-
8 sional services issued after the effective date of this Act.

9 * Sec. 11. This Act takes effect immediately in accordance with AS 01.10.-
0 070(c).

April 6, 1982

HOUSE JOURNAL
SUPPLEMENT

No. 37

HB
546

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB 546 No. 1 Page 1 of 2
Title In the Solidarity to State Contractors for Professional Services
Requested by House State Affairs Date 3/27/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Contracting
BPU, Program, Or Subprogram(s) Affected None
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
200 TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
300 CONTRACTUAL	320.0	345.5	372.9	402.5	434.5	469.1
400 COMMODITIES	0.0	0.0	0.0	0.0	0.0	0.0
500 EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
600 LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
700 GRANTS, CLAIMS, ETC.	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	320.0	345.5	372.9	402.5	434.5	469.1

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	320.0	345.5	372.9	402.5	434.5	469.1
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER (Specify Source)	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	2	2	2	2	2	2
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development	
Evaluation System/Form/Tracking System	
Application form	
On-line Capabilities	160.0
Printing of Labels	4.0
Printing of Applications	1.0

IV. DATE March 26, 1982 PREPARED BY George Eljee
Original: Legislative Finance AGENCY ADMINISTRATION
Budget and Management PHONE 463-3260
Prime Sponsor (First Legislator Named)

HOUSE JOURNAL
SUPPLEMENT

No. 37

April 6, 1982

H5
546

Contractual No. 1 Page 2 of 2

Procedures:

Training in procuring contracts and operating
within new regulations
Re-write of Existing Procedures
Administration Code Drafts
Administration Code Public Hearings

60.0

Advertising:

Professional Listing

5.4

Services associated with required positions --
phone, office space, computer terminal rental, etc.

8.0

5238.4

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 156
 Title An Act relating to legislative contracts
 Requested by Legislative Budget & Audit Committee Date 05-06-82

II. FISCAL DETAIL

Agency Affected The Legislature
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected All committees & all legis agencies
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		30.0	33.0	36.3	39.9	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The only cost for this new procedure not funded would be the cost for advertising. My best estimate for advertising for bids for contract is:

15 contracts per fiscal year at approximately \$2,000 each.

This would cover newspapers in Ketchikan, Juneau, Fairbanks and two in Anchorage. Ad would run three days per week for four weeks.

Total is \$30,000 for FY 83 and 10% increase for next three years.

IV. DATE May 7, 1982 PREPARED BY Wally Harrison, Director
 AGENCY Legislative Affairs Agency
 Original: Legislative Finance PHONE 465-3850
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 546
 Title STATE CONTRACTS FOR PROFESSIONAL SERVICES
 Requested by A. STURGELEWSKI Date 5/6/82

II. FISCAL DETAIL

Agency Affected DEPT OF TRANSPORTATION & PUBLIC FACILITIES
 Program Category Affected TRANSPORTATION
 BRU, Program, Or Subprogram(s) Affected ALL
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The intent of this bill is to invoke legal guidelines for the selection of and negotiation of Professional Services agreements. We are advised that the bill is intended to allow the use of DOT/PF Contracting Policies and Procedures as they now exist. Provided that the final bill reflects existing procedures, there will be no financial impact.

IV. DATE 5/5/82

PREPARED BY R. S. Armstrong
 AGENCY Dept. of Transportation & Public Facilities
 PHONE 465-3900

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee

Offered: 4/27/81
Referred: Rules

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 156 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts."

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

8 * Section 1. AS 24 is amended by adding a new chapter to read:

9 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

10 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
11 for services to be provided to a legislative agency or committee unless

12 (1) the total amount of a contract or contracts awarded to a
13 person in a 12-month period does not exceed \$5,000;

14 (2) the contract is a written employment contract for serv-
15 ices to be performed under direct supervision regardless of the exist-
16 ence of an employer-employee relationship and a written justification
17 signed by the person responsible for awarding the contract is filed
18 with the Legislative Affairs Agency;

19 (3) the contract is for construction, repair, or maintenance
20 of a structure and does not exceed \$5,000;

21 (4) the contract is awarded based on competitive bids ob-
22 tained under the competitive bid procedure provided in AS 37.05.230; or

23 (5) the service is to be provided by an agency or department
24 of the state government or by a municipality.

25 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written
26 request for proposals soliciting an offer to perform the services
27 required under a contract must be extended to a sufficient number of
28 providers of the required services to assure that public interest in
29 competition is adequately served. Proposals from at least six firms

1 shall be solicited for contracts in excess of \$100,000 if the expertise
2 required is widely available. Proposals from at least three firms
3 shall be solicited for contracts of less than \$100,000 if the expertise
4 required is widely available. Formal advertising in a medium which
5 will reasonably bring the proposal to the attention of persons able to
6 provide the required service may be substituted for direct solicitation
7 or used jointly with direct solicitation of proposals.

8 (b) A request for proposals need not be extended if

9 (1) there is a single source of the expertise or knowledge
10 required or if one person or firm can clearly perform the required
11 tasks more satisfactorily because of the person's or firm's prior work;
12 however, this exemption from a request for proposals applies only when
13 a legislative committee by vote of the majority of the members of the
14 committee has approved the exemption and a written justification signed
15 by the person responsible for awarding the contract which details the
16 reasons for the exemption is filed with the Legislative Affairs Agency
17 as a public record. Any proposed contract to be awarded under this
18 exemption must also be approved by the committee before it is valid; or

19 (2) the contract is for services provided to the office of
20 the ombudsman for an investigation under AS 24.55.100.

21 (c) A proposal should be designed to demonstrate to legislative
22 committees and staff who will review the proposal that the proposed
23 research project represents a sound approach to the investigation of an
24 important public policy question. A proposal should be self-contained
25 and written with care and thoroughness.

26 (d) Unless the contract is for services exempt under AS 24.23.010
27 or (b) of this section, a contract for

28 (1) the Legislative Affairs Agency shall be approved by the
29 Legislative Council;

1 (2) the legislative finance division or the legislative
2 audit division shall be approved by the Legislative Budget and Audit
3 Committee.

4 Sec. 24.23.030. AWARD OF CONTRACT. (a) If a contract is made by
5 a legislative committee, execution of the contract on behalf of the
6 committee must be authorized by a majority vote of the full membership
7 of the committee. The contract must be executed by the provider of the
8 service and the project director, be approved by the executive director
9 of the Legislative Affairs Agency, the director of the legislative
10 finance division or the legislative audit division, and be approved as
11 to form by the legislative legal counsel.

12 (b) A contract awarded under this section shall contain the
13 amount of the contract stated on its first page.

14 Sec. 24.23.035. EVALUATION. (a) If a contract is awarded by a
15 legislative committee, the committee or the project director must
16 provide a written evaluation of the services provided under the con-
17 tract before final payment may be made. The evaluation is open for
18 public inspection.

19 Sec. 24.23.040. FILING. A copy of each contract must be filed
20 with the Legislative Affairs Agency, the ombudsman, the legislative
21 finance division, or the legislative audit division, and is open for
22 public inspection. The request for proposals and each proposal sub-
23 mitted must be attached to the filed copy unless the contract is one in
24 which requests for proposals are not required.

25 * Sec. 2. AS 24.55 is amended by adding a new section to read:

26 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt
27 by regulations procedures consistent with AS 24.23 to be followed by
28 the office of the ombudsman in contracting for services.

29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for CS for House Bill No. 156 (Finance)
Title An Acr relating to public contracts
Requested by House Finance Committee Date 5/17/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Centralized Administration
BRU, Program, Or Subprogram(s) Affected Accounting
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	67.5	72.9	78.7	84.9	91.6	98.9
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	238.4	257.4	277.9	300.1	324.1	350.0
400 COMMODITIES	1.5	1.6	1.7	1.3	1.9	2.0
500 EQUIPMENT	12.6	13.6	14.6	15.7	16.9	18.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	320.0	345.5	372.9	402.5	434.5	469.1

FUNDING (Thousands of Dollars)

	320.0	345.5	372.9	402.5	434.5	469.1
GENERAL FUND	320.0	345.5	372.9	402.5	434.5	469.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS

	2	2	2	2	2	2
FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development
Evaluation System/Form/Tracking System
Application form
On-line Capabilities 160.0
Printing of Labels 4.0
Printing of Applications 1.0

IV. DATE May 26, 1982 PREPARED BY George Elgee

Original: Legislative Finance AGENCY Administration
cc: Budget and Management PHONE 465-2250

Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81) Office of the Governor: Keith Specking

*Rec'd 5/27/82
after bill
R/O*

Smith

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for CS for House Bill No. 156 (Finance)
Title An Acr relating to public contracts
Requested by House Finance Committee

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Central
BRU, Program, Or Subprogram(s) Affe
(Note: If more than one budget comp
amounts and funding for each

Rec'd 5/27/82
after bill
R/O

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83				
100 PERSONAL SERVICES	67.5	72.9				
200 TRAVEL						
300 CONTRACTUAL	238.4	257.4				
400 COMMODITIES	1.5	1.6				
500 EQUIPMENT	12.6	13.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	320.0	345.5	372.9	402.5	434.5	469.1

FUNDING (Thousands of Dollars)

	320.0	345.5	372.9	402.5	434.5	469.1
GENERAL FUND						
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS

	2	2	2	2	2	2
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development
Evaluation System/Form/Tracking System
Application form
On-line Capabilities 160.0
Printing of Labels 4.0
Printing of Applications 1.0

IV. DATE May 26, 1982 PREPARED BY George Elae
AGENCY Administration
PHONE 465-2250
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81) Office of the Governor: Keith Specking

ASmith

Contractual

Procedures:

Training in procuring contracts and operating ...
within new regulations

Re-write of Existing Procedures

Administration Code Drafts

Administration Code Public Hearings

60.0

Advertising:

Professional Listing

5.4

Services associated with required positions --
phone, office space, computer terminal rental, etc.

8.0

\$238.4

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8B	BARG. UNIT. G	LOCATION Juneau	APPROV.	ISBAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1,530/mo.	18.360
5	BENEFITS	.1579	2,899
6	SBS	.0613	1,125
7	FIXED BENEFITS	150 x 2	1,800
8	TOTAL PERSONAL SERVICES	01	24.2
9	TRAVEL	02	
10	CONTRACTUAL	03	4.0
11	COMMODITIES	04	1.0
12	EQUIPMENT	05	10.8
13	OTHER		
14	TOTAL COST		40.0

JUSTIFICATION:
 As sole administrative support to the Accountant III and Accounting Clerk III this position will be responsible for maintaining records central over all incoming correspondence.

A substantive knowledge of documents and clerical processes is required to perform these duties independently. Procedures and directions governing work are available in manuals which may require considerable interpretation or extensive search to locate applicable guidelines. Accuracy is required, since work is only occasionally checked, and errors may cause significant disruption in the work cycle and are costly and time consuming to correct. Independent operation of a magnetic tape selectric typewriter and/or regular and significant use of a composer system with responsibility for final proofing of content, format, and layout may be involved especially in the preparation of reports of contractor' activity. Person-to-person contact will involve the exchange, collection, or furnishing of non-routine and sensitive information requiring interpretation during the preparation of Regulation and Procedures for State agencies and the public.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	40.0
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM Centralized Administrative Services 6/L/34

13 REQUEST FOR NEW POSITION.

BRU _____
 COMPONENT _____
 Page _____ of _____ REVISED DATE _____

FY 83

1	POSITION TITLE Procurement Analyst (Contracting Officer)			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.				
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: This position is needed so that full-time support can be given to professional service contracts. CS for HB 546 requires the State to exercise a more aggressive role in the solicitation, negotiation, administration and evaluation of professional service contracts. The incumbent of this position will be a contract specialist and a resource person to other agencies. This position will be responsible for: <ol style="list-style-type: none"> Administering the Professional Service Contract Tracking System (PSCTS) -- a new computer system. Reviewing ATNS and PSCS to determine compliance with the provisions of AS 36.98 and regulations adopted thereunder. Preparing drafts of new materials and revisions of sections of the State Administrative Manual and regulations pertaining to professional service contracts. Coordinating the PSCTS with the Professional Services Contractors Register -- another new computer system. Advising the Commissioner of Administration and others in the Department of Administration on matters pertaining to professional contracting in general and on specific problem areas. Assisting agencies in their day-to-day activities pertaining to the solicitation, negotiation, administration and evaluation of professional service contracts. 							
4	PERSONAL SERVICES:	2,838		34,056									
5	SALARY	.1579		5,377									
6	BENEFITS	.0613		2,088									
7	SBS	150 x 12		1,800									
8	FIXED BENEFITS												
9	TOTAL PERSONAL SERVICES	01		43.3									
10	TRAVEL	02											
11	CONTRACTUAL	03		4.0									
12	COMMODITIES	04		.5									
13	EQUIPMENT	05		1.8									
14	OTHER												
14	TOTAL COST			49.6									
15	RECEIPT CODE	FUNDING SOURCE											
16		FED RCPTS. 1002											
17		GF MATCH. 1003											
18		GEN. FUND. 1004		49.6									
19		I-A RCPTS. 1005											
20		PGM RCPTS 1028											
21		OTHER											
21	CONTINUATION												
22	ADDITION												
				FOR B&M USE ONLY									
4A-KEY NUMBER				COLUMN NO.									

AGENCY Administration

PROGRAM Centralized Administrative Services

6/L/33

13 REQUEST FOR NEW POSITION.

BRJ _____

COMPONENT _____

Page _____ of _____ REVISED DATE _____

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 156 (Rules) am
Title An Act relating to legislative contracts.
Requested by Legislative Finance Date 1-19-82

II. FISCAL DETAIL
Agency Affected Legislative Affairs
Program Category Affected General Government
BRU, Program, (or Subprogram(s) Affected Executive Director
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Zero fiscal note.

IV. DATE 1-19-82 PREPARED BY M. R. Charney, Exec. Dir.
AGENCY Legislative Affairs Agency
Original: Legislative Finance PHONE 465-3800
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS CS for HB156 (Judiciary)
 Title An Act relating to legislative contracts.
 Requested by Legislative Finance Date 1-19-82

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 ERU, Program, Or Subprogram(s) Affected Executive Director
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Zero fiscal note.

IV. DATE 1-19-82 PREPARED BY M. R. Charney, Exec. Dir.
 AGENCY Legislative Affairs Agency
 Original: Legislative Finance PHONE 465-3800
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Original sponsor: Rules Committee

Offered: 1/15/82
Referred: Finance

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

11 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
12 for services to be provided to a legislative agency or committee unless

13 (1) the total amount of a contract or contracts awarded to a
14 person in a 12-month period does not exceed \$5,000;

15 (2) the contract is a written employment contract for ser-
16 vices to be performed under direct supervision regardless of the exis-
17 tence of an employer-employee relationship and a written justification
18 signed by the person responsible for awarding the contract is filed
19 with the Legislative Affairs Agency;

20 (3) the contract is for construction, repair, or maintenance
21 of a structure and does not exceed \$5,000;

22 (4) the contract is awarded based on competitive bids ob-
23 tained under the competitive bid procedure provided in AS 37.05.230; or

24 (5) the service is to be provided by an agency or department
25 of the state government or by a municipality.

26 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written
27 request for proposals soliciting an offer to perform the services
28 required under a contract must be extended to a sufficient number of
29 providers of the required services to assure that public interest in

1 competition is adequately served. Proposals from at least six firms
2 shall be solicited for contracts in excess of \$100,000 if the expertise
3 required is widely available. Proposals from at least three firms
4 shall be solicited for contracts of less than \$100,000 if the expertise
5 required is widely available. Formal advertising in a medium that will
6 reasonably bring the proposal to the attention of persons able to
7 provide the required service may be substituted for direct solicitation
8 or used jointly with direct solicitation of proposals.

9 (b) A request for proposals need not be extended if

10 (1) there is a single source of the expertise or knowledge
11 required or if one person or firm can clearly perform the required
12 tasks more satisfactorily because of the person's or firm's prior work;
13 however, this exemption from a request for proposals applies only when
14 a legislative committee by vote of the majority of the members of the
15 committee has approved the exemption and a written justification signed
16 by the person responsible for awarding the contract which details the
17 reasons for the exemption is filed with the Legislative Affairs Agency
18 as a public record; any proposed contract to be awarded under this
19 exemption must also be approved by the committee before it is valid; or

20 (2) the contract is for services provided to the office of
21 the ombudsman for an investigation under AS 24.55.100.

22 (c) A proposal may be accepted only if it represents a sound
23 approach to the investigation of an important legislative concern. A
24 proposal shall be self-contained and written with care and thoroughness.

25 (d) Unless the contract is for services exempt under AS 24.23.010
26 or (b) of this section, a contract for

27 (1) the Legislative Affairs Agency shall be approved by the
28 Legislative Council;

29 (2) the legislative finance division or the legislative

1 audit division shall be approved by the Legislative Budget and Audit
2 Committee.

3 Sec. 24.23.030. AWARD OF CONTRACT. (a) If a contract is made by
4 a legislative committee, execution of the contract on behalf of the
5 committee must be authorized by a majority vote of the full membership
6 of the committee. The contract must be executed by the provider of the
7 service and the project director and be approved as to form by the
8 executive director of the Legislative Affairs Agency, or the director of
9 the legislative finance division or the legislative audit division and
10 by legislative legal counsel.

11 (b) A contract awarded under this section shall contain the
12 amount of the contract stated on its first page.

13 Sec. 24.23.035. EVALUATION. If a contract is awarded by a legis-
14 lative committee, the committee or the project director must provide a
15 written evaluation of the services provided under the contract before
16 final payment may be made. The evaluation is open for public inspec-
17 tion.

18 Sec. 24.23.040. FILING. A copy of each contract must be filed
19 with the Legislative Affairs Agency, the ombudsman, the legislative
20 finance division, or the legislative audit division, and is open for
21 public inspection. The request for proposals and each proposal sub-
22 mitted must be attached to the filed copy unless the contract is one in
23 which requests for proposals are not required.

24 * Sec. 2. AS 24.55 is amended by adding a new section to read:

25 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt
26 by regulations procedures consistent with AS 24.23 to be followed by
27 the office of the ombudsman in contracting for services.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Bradley ✓

Not adopted

Outdated Draft

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

11 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
12 for services to be provided to a legislative agency, legislative commit-
13 tee, or member of the legislature unless

14 (1) the total amount of a contract or contracts awarded to a
15 person from a legislative agency, legislative committee, or member of
16 the legislature does not exceed \$10,000 in a 12-month period;

17 (2) the contract is a written employment contract for
18 services to be performed under direct supervision regardless of the
19 existence of an employer-employee relationship and the person responsi-
20 ble for awarding the contract certifies that the services will be per-
21 formed under direct supervision of the person responsible for awarding
22 the contract and the contract is filed with the Legislative Affairs
23 Agency;

24 (3) the contract is for construction, repair, or maintenance
25 of a structure and does not exceed \$10,000;

26 (4) the contract is awarded based on competitive bids ob-
27 tained under the competitive bid procedure provided in AS 37.05.230; or

28 (5) the required services are to be provided by an agency or
29 department of the state government or by a municipality.

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1 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written re-
2 quest for proposals soliciting an offer to perform the required services
3 under a contract must be extended to a sufficient number of providers of
4 the required services to assure that public interest in competition is
5 adequately served. Proposals from at least six firms shall be solicited
6 for contracts in excess of \$100,000. Proposals from at least three
7 firms shall be solicited for contracts of less than \$100,000. Formal
8 advertising in a medium that will reasonably bring the proposal to the
9 attention of persons able to provide the required services may be sub-
10 stituted for direct solicitation or used jointly with direct sollicita-
11 tion of proposals.

12 (b) A request for proposals need not be extended under this section
13 if

14 (1) there is a single source of the required services or if
15 one person or firm can clearly perform the required services more satis-
16 factorily because of the person's or firm's prior work; or

17 (2) the contract is for services provided to the office of
18 the ombudsman for an investigation under AS 24.55.100.

19 (c) The exemption in (b)(1) of this section applies only if

20 (1) a legislative committee by vote of the majority of its
21 members has approved the exemption and a written justification signed by
22 the person responsible for awarding the contract that details the reasons
23 for the exemption is filed under AS 24.23.060 as a public record; a
24 contract proposed for awarding under the exemption in (b)(1) of this
25 section must be approved by the committee before it is valid; or

26 (2) a member of the legislature has approved the exemption
27 and a written justification signed by that member of the legislature
28 that details the reason for the exemption is filed under AS 24.23.060.

29 Sec. 24.23.030. PREPARATION AND ACCEPTANCE OF PROPOSALS. (a) A

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1 proposal for a contract shall be self-contained and written with care
2 and thoroughness. A proposal for a contract may be accepted only if it
3 represents a sound approach to the investigation of an important legis-
4 lative concern.

5 (b) Unless the contract is for services exempt under AS 24.23.010,
6 a contract for

7 (1) the Legislative Affairs Agency shall be approved by the
8 Legislative Council;

9 (2) the legislative finance division or the legislative audit
10 division shall be approved by the Legislative Budget and Audit Committee.

11 (c) A legislative committee or member of the legislature may
12 request the Legislative Affairs Agency, the legislative finance division,
13 or the legislative audit division to carry out the responsibilities set
14 out in (a) of this section.

15 Sec. 24.23.040. AWARD OF CONTRACT. (a) If a contract is awarded
16 by a legislative committee, execution of the contract must be authorized
17 by a majority vote of the full membership of the committee.

18 (b) A contract must be executed by the provider of the service and
19 the person responsible for awarding the contract and be approved as to
20 form by the executive director of the Legislative Affairs Agency, the
21 director of the legislative finance division, or the legislative audit
22 division and also by legislative legal counsel.

23 (c) A contract awarded under this chapter shall contain the amount
24 of the contract, the period of performance under the contract, and a
25 description of the services to be performed under the contract, in
26 addition to any other provisions in the contract.

27 Sec. 24.23.050. EVALUATION. If a contract is awarded by a legis-
28 lative committee, the committee or the project director must provide a
29 written evaluation of the services provided under the contract before

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1 final payment on the contract may be made. The evaluation shall be
2 filed under AS 24.23.060 and is open for public inspection.

3 Sec. 24.23.060. FILING. A copy of each contract and each exemp-
4 tion granted under AS 24.23.020(b)(1) must be filed with the Legislative
5 Affairs Agency, the ombudsman, the legislative finance division, or the
6 legislative audit division, and is open for public inspection. The
7 request for proposals and each proposal submitted must be attached to
8 the filed copy unless the contract is one in which requests for proposals
9 are not required.

10 * Sec. 2. AS 24.55 is amended by adding a new section to read:

11 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt by
12 regulations procedures consistent with AS 24.23 to be followed by the
13 office of the ombudsman in contracting for services.

14 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 26, 1982

SUBJECT: Legislative contracts
(Amendment to SCS CSHB 156 (Judiciary))

TO: Senator Arliss Sturgulewski

FROM: Richard A. Bradley *B*
Legislative Counsel

You have requested a sectional analysis of the latest version of the draft amendment prepared for you to SCS CSHB 156 (Judiciary). Under our revised procedures, another draft of this would very likely be characterized as SCS CSHB 156 (Finance).

HB 156 is a bill generally establishing procedures and requirements for the letting of contracts by the legislative branch of the state government. The bill establishes a new chapter 23 in the legislative title, AS 24.

Sec. 24.23.010 provides for the application of the chapter. As revised in the draft provided to you on February 22nd, the chapter applies to contracts for services to be provided to a legislative agency, to a legislative committee, or to a member of the legislature unless specifically excluded under one of the paragraphs of section 10.

There are five exceptions provided in section 10. The first exception from the requirements of the chapter applies when the "total amount of a contract or contracts awarded to a person . . . in a twelve month period does not exceed \$10,000"; and the provision is written in such a way that contracts that a person may have from different committees, members, or agencies of the legislature are not cumulated but are totalled individually to reach the \$10,000 threshold. Thus a person may have several individual contracts which taken together total more than \$10,000. But until the total is reached for a single member, for a single committee, or

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for a single division of the legislature, sec. 10(1) exempts the contracts from the coverage of the chapter.

The second exception exempts services performed under a "written employment contract" which are "performed under direct supervision regardless of the existence of an employer-employee relationship" where a written justification is filed with the Legislative Affairs Agency. I expect this exception to be used most by legislators and committees where a contract is used in the employment of legislative staff.

The third exception covers the "construction, repair, or maintenance of a structure" if the contract does not exceed \$10,000.

In the fourth exception, the chapter does not apply where the contract is awarded on the basis of competitive bids obtained under the competitive bid procedure established in AS 37.05.230.

It may be noted that while the competitive bid procedure [under AS 37.05.230(1)(C)(vi)] exempts itself from coverage of professional services, this bill covers professional services except to the extent that they may represent the "single source" or "prior work" exception from the requirement for requests for proposals. These exceptions are discussed below in the discussion regarding sec. 20(b)(1).

The final exception excludes contracts for services provided by the state or by a municipal government.

Sec. 20(a) establishes the requirements of requests for proposals. A written request for proposals inviting bids for services that are required under a contract must be extended to assure that public interest in the award of the contract is aroused (if the contract is subject to the requirement of requests for proposals: see sec. 20(b)).

The section requires that at least six firms be solicited for bids if the contract amounts to \$100,000 and the expertise is widely available; three firms must be solicited on contracts amounting to less than \$100,000 if the expertise is widely available. Formal advertising (as in a newspaper) may be substituted for direct solicitation or used with it.

Sec. 20(b) states those situations where a request for proposal need not be extended. The first instance where a proposal need not be extended is where there is a "single source" of the expertise or where, because of "prior work", a single person or firm is able to perform the required tasks "more satisfactorily".

The second instance where a request for proposals need not be extended is where the ombudsman is contracting for an investigation under AS 24.55.100; the citation at AS 24.-55.100 is to the general authority of the ombudsman to "investigate the administrative acts of agencies".

Sec. 20(c)(1) provides that if the "single source" or the "prior work" exception from the requirements of the request for proposals [sec. 20(b)(1)] is used, the legislative committee may by a majority vote of the committee membership approve the "single source" or "prior work" exemption. If it does approve the exemption, the person responsible for awarding the contract is required to detail the reason for the exemption and then have the statement of reasons filed with a permanent agency of the legislature under bill section 24.23.040. The reasons stated in the justification are a matter of public record. The subsection also provides that the approval by the committee of the exception from the requirement for a request for proposals does not in itself constitute an approval of the contract.

Under sec. 20(c)(2), when a member of the legislature acting individually determines that the "single source" or "prior work" exemption should apply to a contract proposed to be let, the same written justification from the individual member is required; it is filed under Sec. 24.23.040 and is a matter of public record.

Sec. 20(d) states legislative policy that a proposal for a contract represent a sound approach to the investigation of a matter of legislative concern; a proposal shall be self-contained and written with care and thoroughness.

Sec. 20(e) requires that contracts not exempt under Sec. 24.23.010 (see above) be approved by the Legislative Council if they are for this agency; if for the legislative finance division or the legislative audit division, they shall be approved by the Legislative Budget and Audit Committee.

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Sec. 20(f) permits a legislative committee or a member of the legislature to request the permanent divisions of the legislature to assist them in carrying out a staff-type responsibility to extend the request for proposals or to advertise in newspapers.

Sec. 30 is concerned with the award of the contract. Contracts made by a committee must be approved by a majority of the members of the full committee. The contract must be executed by the project officer and by the provider of the service; it must be approved as to form by the appropriate director of one of the stated legislative agencies [LAA, LFD, LAD] and also approved as to form by legislative counsel.

Sec. 30(b) requires that a contract awarded under this section contain the amount of the contract, the period of performance under the contract, and a description of the work to be carried out under the contract. Other substantive provisions of the contract should also be included.

Under sec. 35, a contract entered into by a legislative committee must have an evaluation of the services provided before the final payment under the contract can be made. Logically this requires that the payment for these contracts have a partial payment clause so that some funds (amount unspecified) be retained pending that evaluation. The evaluation is also a public document and should be filed with the contract. The bill does not specify that clearly.

Sec. 40 provides that the contract, the request for proposals and each proposal received, the exemptions granted under Sec. 24.23.020(b)(1), and logically the evaluation of the services under a legislative committee contract be filed with one of the permanent divisions of the legislature.

Bill section 2 amends the ombudsman law to require the ombudsman to adopt by regulation procedures consistent with AS 24.23 to be followed in the contracting for services.

An immediate effective date is provided.

If I may assist further, please advise.

RAB:ljb

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 14, 1982

SUBJECT: Public contracts
(SCS CSHB 156 (Finance))

TO: Senator Arliss Sturgulewski
Attn: Glen Svendsen

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

The subject of Senate CS for CSHB 156 (Finance) is public contracts generally and more specifically procedures to be followed in letting certain contracts.

Section 1 adds an exception for professional service contracts to the general rule that highway contracts be let under bid.

Section 2 adds an exception for professional service contracts to the general rule that public facility contracts be let under bid.

Section 3 creates a new chapter establishing rules for legislative contract procedures.

AS 24.23.010 sets forth the application of the new chapter. The chapter applies to legislative contracts generally, but exempts (1) professional service contracts if awards to a person within twelve months are \$10,000 or less; (2) written employment contracts involving direct supervision; (3) contracts let by competitive bid under AS 37.05.230; and (4) contracts with municipalities and other state agencies.

AS 24.23.020 requires solicitation of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. Formal advertising or the professional contractors services register, established later in this bill may be used in the solicitation process.

Senator Arliss Sturgulewski

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Requests for proposals are not necessary for sole source contracts. The exemption for a sole source contract must be justified by a written statement which is to be considered a public record.

AS 24.23.030. Contracts for the Legislative Affairs Agency shall be approved by the Legislative Council while contracts for the Legislative Finance or Audit Divisions shall be approved by the Legislative Budget and Audit Committee.

AS 24.23.040. A contract awarded by a legislative committee must be authorized by a majority vote of the committee. Contracts must be approved as to form by the Director of the Legislative Affairs Agency or the Director of the Legislative Finance or Legislative Audit Divisions and also by legislative legal counsel. Contracts shall contain the amount, period of performance, description of services, and a certification that sufficient money is available for the contract.

AS 24.23.050. Before final payment a written evaluation of the services provided under the contract must be prepared.

AS 24.23.060. Contracts, exemptions and requests for proposals are to be filed and open for public inspection.

AS 24.23.070 includes definition of professional services. This definition is the same which is used in the general chapter created later in this bill (AS 36.98) for professional services contracts.

Section 4 of the bill instructs the ombudsman to adopt regulations consistent with AS 24.23 to be followed by that office and specifically exempts investigative contracts of that office from the request for proposals procedure.

Section 5 of the bill creates a new chapter for professional services contracts which are entered into by the executive ~~or judicial~~ branches of state government as well as the University of Alaska.

AS 36.98.010. The new chapter applies to contracts for professional services generally but exempts (1) contracts for \$25,000 or less; (2) written employment contracts involving direct supervision; and (3) contracts let by competitive bid under AS 37.05.230.

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AS 36.98.020. The Commissioner of the Department of Administration, the Commissioner of the Department of Transportation and Public Facilities, and the court ~~administrator~~ ^{AG} shall establish and maintain a professional services contractors register. Persons or firms may submit statements of qualifications and other information required by the commissioner for inclusion on the register.

AS 36.98.030. Public notice soliciting proposals for professional service contracts is required. A state agency shall also review the register and provide a request for proposals to each contractor on the register which the agency finds is qualified for consideration. Requires solicitations of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. If the required number of proposals cannot be obtained due to lack of available expertise, state agencies shall at least solicit proposals from each person or firm on the register who appears qualified and from each person or firm responding to the public notice who appears qualified. Sole source contracts are exempt from the provisions of this section but require a written submission to the commissioner containing the reasons for the exemption. This section also does not apply in cases of public necessity or where the service is to be provided by another governmental agency.

AS 36.98.040 provides for uniform evaluation of contracts. Contracts must be submitted to the commissioner for review and approval. Contracts shall contain the amount, the period of performance, description of the services, and a certification that sufficient funds are available for the contract. Contracts which contain terms not typically included in the state standard form shall be reviewed by the Department of Law prior to award.

AS 36.98.050. Contracts are to be administered and monitored by the agency awarding the contract. At the completion of the contract the agency shall prepare a written evaluation of the services performed.

AS 36.98.060 Copies of contracts and requests for proposals shall be filed and open for public inspection.

AS 36.98.070. The commissioner shall adopt regulations, including grievance procedures concerning the manner of the

preparation and processing of professional services contracts.

AS 36.98.080. Definitions are self-explanatory. One unusual point is that in this chapter, commissioner means commissioner of the Department of Administration except for (1) those contracts issued by the Department of Transportation and Public Facilities in which case the word "commissioner" means the commissioner of transportation and public facilities; and ~~(2) those contracts with the judicial branch in which case "commissioner" means the administrative director of the court system.~~ (AS)

Section 6 raises the amount from \$2,500 to \$5,000 above which sealed bid procedures are to be used for state contracts generally. Also allows for limiting the solicitation of bids.

Section 7 of the bill raises the amount from \$2,500 to \$5,000 below which contractual services for state contracts generally may be obtained either by competitive bid or in the open market. Also raises the limit for "small purchases" which can be made on the open market from \$300 to \$500.

Section 8 merely identifies the addition of AS 24.23 and AS 36.98 to the state law.

Section 9 clarifies the criteria to be used in determining the lowest responsible bidder for contracts let under competitive bid. Provides for the application of AS 24.23 or AS 36.98 when making awards for professional service contracts.

Section 10. Only bids or proposals for professional services issued after the effective date of this will be subject to the new rules.

Section 11 provides for an immediate effective date.

TAS:ljb