

S B

293



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 28, 1984

The Honorable Joe Hayes
Speaker of the House
Alaska House of Representatives
Pouch V
Juneau, AK 99811

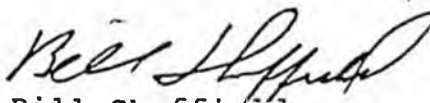
Re: Senate Committee
Substitute for House Bill
106 (SA) am S (An Act
relating to Alaska bidder
preference.)

Dear Representative Hayes:

Today I have vetoed SCSHB 106(SA) am S. This decision was very difficult for me to make because I believe that the existing interpretation of the Alaska bidders' preference is often abused. At first reading, this bill appears to rectify that problem and one would want to be in favor of it. However, upon further consideration, I have determined that, if this bill is enacted into law, there will be no incentive for outside firms to join with local firms in beneficial relationships. Without this incentive, outside firms may be in a position to bid without local involvement, thus defeating the very purpose expressed in sec. 1 of this bill.

I would support the enactment of a bill that requires significant local participation in joint ventures before a bid preference is accorded to a joint venture. By "significant local participation," I mean that, before a bid preference is awarded, the joint venturers must certify that a minimum percentage of the work, specified by law, will be performed by the resident venturer. I hope we can work together to achieve this worthwhile result.

Sincerely,


Bill Sheffield
Governor

Senate Bill No. 293

Position Paper

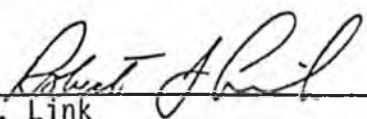
This bill would require a joint venture to consist of parties meeting the requirements of AS 37.05.230(5) in order to qualify for the Alaska bidder preference. These requirements are:

- (a) They must hold an Alaska Business License
- (b) They must bid under the name on the license
- (c) They must have maintained a place of business within the state for at least six (6) months

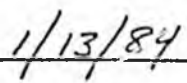
This bill is probably in response to the recent Supreme Court decision IRBY-Northface JV vs. Commonwealth Electric et al. 4/29/83. In this case the Court determined that if one member of a joint venture met the requirements of AS 37.05.230(5) that the joint venture met the requirements. The bill would preclude an in-state firm and an out-of-state firm forming a joint venture in order to respond to a bid from receiving the benefit of the Alaska bidder preference.

The Department of Administration has a neutral position on this bill since we feel it is appropriate that the Legislature determine the applicability of legislatively created preferences. This bill will not significantly impact the activities of this department.

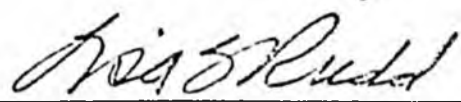
Prepared by:



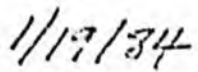
Robert J. Link
Director
Division of General Services & Supply
Department of Administration



Date



Commissioner Lisa Rudd
Department of Administration



Date

* Sec. ____ AS 37.05.230(5) is amended to read:

(5) an "Alaska bidder," for the purpose of bid awards under (1)(A) of this section is,

(A) a person who

(i) [(A)] holds a current Alaska business license; [,]

(ii) [(B)] submits a bid for goods or services under the name as appearing on that person's [HIS] current Alaska business license; [,] *what if not working*

(iii) [(C)] has actively engaged in the business of providing the goods or services for which the bid is submitted from [MAINTAINED] a place of business within the state for a period of six months immediately preceding the date of the [HIS] bid;

(iv) is not delinquent in the payment of state taxes;

(v) employs at least 10 state residents or has a work force at least 50 percent of which consists of state residents, whichever is less; or

(B) a joint venture, partnership, or other business association consisting of more than one person if:

(i) one or more of the persons satisfy (A)(i) and (A)(iii)-(v) of this paragraph;

(ii) the person or persons described in (i) of this subparagraph are responsible for at least 25 percent of the performance necessary to satisfactorily complete the contract;

at time of bid - what if change later

unenforceable

Proposed CS for SB293

(Received from AG. (J. Baldwin) after Gov vetoed HB/06

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____, 1984
Page 1 of 1

REQUEST

Bill/Resolution No.: SB 29
Title: "An Act Relating to a
Joint Venture Alaska Bidder."
Sponsor: Sen. Josephson, Fahrenkamp
Requestor: Sen. Eliason
Date of Request: January 11, 1984

FISCAL DETAIL

Agency Affected: All
Program Category Affected: All
BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
TOTAL	0	0	0	0	0	0

POSITIONS:

	0	0	0	0	0	0
FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis. *A*

Prepared By: Robert J. Link *AWG*
Division: General Services & Supply

Phone: 465-2250
Date: January 11, 1984

Approved by Commissioner: Lisa Rudd *LJR*
Agency: DEPARTMENT OF ADMINISTRATION

Date: January 11, 1984

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB 293 TITLE & SPONSOR SUMMARY

16:24 6/04/84 PAGE 1 OF 2

AMENDED TITLE:

AN ACT RELATING TO A JOINT VENTURE ALASKA BIDDER

PRIME SPONSOR: JOSEPHSON.

CO-SPONSORS: FAHRENKAMP, KERTTULA, RODEY.

CURRENT STATUS: 5/04/84 IN (S) RULES

SB 293 SENATE ACTION

16:24 6/04/84 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
5/09/83	01	0927	FIRST READING --- COMMITTEE REPORTS
5/04/84	02	2926	L&C --- CS03
5/04/84	03	2926	L&C F/NOTE EQUALS ZERO RULES

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