

SB

344

HOUSE COMMITTEE REPORT

(7)

Date referred: 4/21/88

FURTHER REFERRALS:

DATE: 5/3/88

The Labor & Commerce Committee has considered ^{CSSB} ~~SSB~~ 344(L&C) (title)

"An Act relating to the registration of general contractors and subcontractors as to certain contracts of state agencies."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committ

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal no published _____
- zero fiscal note same as previous zero fisc note published 4/13/88
- zero with analysis

SIGNING DO PASS:

W. H. Bush

Mike Kozman

Dave Douley

SIGNING OTHER RECOMMENDATIONS:

J. Ellis (no rec)

Cliff Davidson (no rec)

Smith (no rec)

W. Furnace. Bal Red Bill

Dave Douley

Chairman's signature

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 344
PUBLISH DATE: SENATE 4/13/88

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to general contractors...
Sponsor: Senator Duncan
Requestor: _____

Agency Affected: Commerce & Economic Dev
BRU: Occupational Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

RAS Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144
Division: Occupational Licensing Date: March 10, 1988

Approved by Commissioner: J. Anthony Smith Date: 3/10/88
Agency: Commerce and Economic Development

Distribution (by preparer):

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

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 344
PUBLISH DATE: SENATE 4/13/88

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: " An Act relating to general
contractors and...contracts of state agencies..." BRU: Labor Standards & Safety
Sponsor: Duncan Components: Wage & Hour
Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
Division: Labor Standards & Safety Date: 3/22/88

Approved by Commissioner: Jim Sampson Date: 3/22/88
Agency: Department of Labor

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 344 (L&C) (title am)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act relating to the registration
of general contractors..." BRU: Labor Standards & Safety
 Sponsor: Duncan Components: Wage & Hour
 Requestor: House Labor/Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
 Division: Labor Standards & Safety Date: 5/2/88

Approved by Commissioner: Jim Sampson Date: 5/2/88
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Attention
Ginger

MEMORANDUM

TO: Dave Donley
WITH: House Labor and Commerce

FROM: Frank Thomas-Mears, Chapter Secretary
WITH: ALASKAN CHAPTER
THE AMERICAN SUBCONTRACTORS ASSOCIATION, INC.
12541 Atherton Road
Anchorage, Alaska 99515
907-345-7181

DATE: May 3, 1988

RF : CS SB 344
Registration of General and Subcontractors
Amending Section 2. AS 36.30.115(a)

We wish to further amend Section 2. AS 36.30.115(a), as follows:

At the time of bid opening [Within five working days after the identification of the apparent low bidder], the apparent low bidder shall submit a list of the subcontractors the bidder proposes to use in the performance of the contract. The list must include the name and location of the place of business for each subcontractor and evidence of the subcontractor's valid Alaska business license. A bidder for a construction contract shall also submit evidence of each subcontractor's registration under AS 08.18. If a subcontractor on the list does not have a valid Alaska business license and a valid certificate of registration under AS 08.18 at the time the bid is opened, the purchasing officer shall reject the bid and proceed to the next lowest bidder.

Respectfully
AMERICAN SUBCONTRACTORS ASSOCIATION, INC.

Frank Thomas-Mears
Chapter Secretary
Representational Lobbyist

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Attention
Ginger

MEMORANDUM

TO: Dave Donley
WITH: House Labor and Commerce

FROM: Frank Thomas-Mears, Chapter Secretary
WITH: ALASKAN CHAPTER
THE AMERICAN SUBCONTRACTORS ASSOCIATION, INC.
12541 Atherton Road
Anchorage, Alaska 99516
907-345-7181

DATE: May 3, 1988

RE : CS SB 344
Registration of General and Subcontractors
Amending Section 2. AS 36.30.115(a)

The purpose of our amended language is to eliminate the onerous industry practice of BID SHOPPING.

Bid shopping is practiced by many general (prime) contractors, and works like this. After the general is awarded a contract as the apparent low bidder, he then goes back to the subcontractor whose low bids the general has already used to win the contract, and demands a further reduction in the subcontractors proposed pricing. If the subcontractor who submitted the apparent low bid to the general is unwilling to do so, the general then contacts other non-low bidding subcontractors and asks them to beat the price.

The difference between what the general bid at the time of bid opening and the savings the general effects by bid shopping - GOES DIRECTLY INTO THE POCKETS OF THE GENERAL - not to the state or other contracting authority to whom any savings truly belongs.

IF IT IS FAIR THAT A GENERAL WHO IS THE APPARENT LOW BIDDER - AT THE TIME OF BID OPENING - IS AWARDED A CONTRACT, THEN IT IS ALSO FAIR THAT THE SUBCONTRACTOR WHO SUBMITTED THE LOWEST BID TO THE GENERAL - THAT ENABLED THE GENERAL TO BE THE APPARENT SUCCESSFUL LOW BIDDER AT BID OPENING - IS ALSO IMMEDIATELY AWARDED THE CONTRACT BY THE GENERAL.

Respectfully,
AMERICAN SUBCONTRACTORS ASSOCIATION,

Frank Thomas-Mears
Chapter Secretary
Representational Lobbyist

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY
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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL+C

5-3-88

6:30 p.m.