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342

HOUSE STATE AFFAIRS COMMITTEE

NEXT COMMITTEE: TRANSPORTATION

BILL: SB 342

CURRENT VERSION: CS SB 342 (TRSP)

SCHEDULED: MARCH 9, 1988

SPONSOR: GOVERNOR

PHONE NO: DOT/3900

CONTACT FILE: _____

BILL SUBJECT: CONTRACTING PROCEDURES FOR SALE AND DELIVERY OF IN-BOND MERCHANDISE AT INTERNATIONAL AIRPORTS

SPONSOR BACKUP: TRANSMITTAL LETTER - NOTIFIED

AFFECTED AGENCIES:

<u>DEPARTMENT</u>	<u>CONTACT/PHONE</u>	<u>COMMENT</u>
DOT/PF	FLEISCHHAUER/3900	

FISCAL NOTES

<u>AGENCY</u>	<u>REQUESTED</u>	<u>DATED</u>	<u>FY 88 AMT</u>	<u>FY 89 AMT</u>
DOT/PF		2/18/88	-0-	-0-

ACTION

<u>DATE</u>	<u>COMMENT</u>
3/9/88	PASSED FROM HOUSE STATE AFFAIRS

HOUSE COMMITTEE REPORT

(7)

Date referred: 2/26/88

FURTHER REFERRALS: Transportation

DATE: 3-9-88

The State Affairs Committee has considered CSSB 342 (Trsp)

"An Act relating to contracting procedures for the sale and delivery of in-bond merchandise at the international airports; and providing for an effective date."

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 _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 2-23-88
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

Samuel Merriman

Donch Douley

Tom Palmer

Lyons Hill

D.A. Tucker

Cliff Davidson (no rec.)

Larry Marton no rec.

Tom Palmer

 Chairman's signature

STATE OF ALASKA
THE LEGISLATURE

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

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

HSA

3-9-88

3:00p.m.

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE BILL NO. 342 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to contracting procedures for the
7 sale and delivery of in-bond merchandise at the
8 international airports; and providing for an effective
9 date."

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

11 * Section 1. AS 02.15.091(d) is amended to read:

12 (d) The department shall offer the exclusive contracts required
13 by this section [ONLY] by competitive bid or by competitive proposals.
14 If the department offers the exclusive contracts by competitive bid,
15 the department [AND] shall award the contracts after considering the
16 generation of maximum revenue [REVENUES] for the International Air-
17 ports Revenue Fund established by AS 37.15.430. If the department
18 offers the exclusive contracts by competitive proposals, the depart-
19 ment shall award the contracts after considering factors that include
20 [depth of management, financial ability, demonstrated experience at
21 other locations, quality of services and products, success in market-
22 ing programs, character and improvements of proposed facilities, and
23 the generation of revenue for the fund.]

24 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

depth of management - CAN they stay in business

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 1988

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

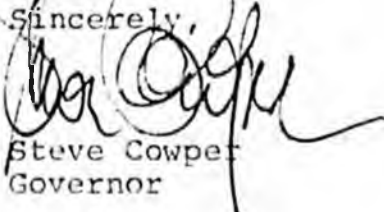
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill pertaining to contracting procedures for the sale and delivery of in-bond merchandise sold at Alaska's international airports. These transactions take place in the "duty free" shops.

This bill amends existing AS 02.15.091(d) to allow the Department of Transportation and Public Facilities (DOT/PF) to award duty free contracts through the competitive proposal mechanism. Presently, the department must offer the duty free contracts only by competitive bid and then make the contract award after considering the generation of maximum revenue for the International Airports Revenue Fund (AS 37.15.430).

While generation of revenue is a critical component of any contract involving operation of the duty free shops, giving the department flexibility to use competitive proposal procedures will possibly increase revenue and assist the state to meet other valid goals. DOT/PF would like to be able to consider such factors as space layout, kind of merchandise, level of service, minority participation plans, and demonstrated experience. DOT/PF regulations in 17 AAC 40 govern that department's competitive proposal procedures.

I believe that this measure warrants your critical scrutiny. My Administration looks forward to working with legislative committees to explain this bill in greater detail. This bill has the support of the Department of Transportation and Public Facilities. Please call on Commissioner Mark Hickey if you have additional questions about this bill.

Sincerely,



Steve Cowper
Governor

STATE OF ALASKA 1988 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST 2/18/88

Bill Version: CSSB 342 (Trsp)
Publish Date: 2-23-88

Revision Date: _____
Title: Contracting procedures for
in-bound merchandise at Int'l Airports.
Sponsor: Governor
Requestor: Jones

Agency Affected: DOT&PF
BRU: Alaska Int'l Airport System
Airport Leasing
Components: _____

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
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: The fiscal impact of this bill is zero because it only defines alternate means by which the DOT&PF may obtain contracts for duty free concessions.

Prepared by: W. Keith Gerken *WKG* Phone: 465-3900
Division: Deputy Commissioner, Operations Date: 2/18/88

Approved by Commissioner: Mark S. Hickey *M&H* Date: 2/18/88
Agency: DOT&PF

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