

HB

197

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE


P.O. BOX Y, JUNEAU 99811

(907) 465-3892

April 5, 1988

M E M O R A N D U M

To: Representative Mike Navarre, Chair
House Rules Committee

From: Representative Dave Donley, Chair 
House Labor and Commerce Committee

Re: Request to schedule HB 197

HB 197, a measure introduced by the House Labor and Commerce Committee, is currently before the House Rules Committee. I am writing to request that you schedule HB 197 for a vote before the full House at your earliest convenience.

HB 197 requires that state bid documents designate a delivery point for supplies within the state unless the Department of Administration determines that it is in the best interest of the state to designate a delivery point outside of Alaska.

HB 197 has a zero fiscal note and is strongly supported by local businesses, particularly the Alaska Manufacturers Association. This is a simple bill that doesn't cost anyone anything and it may help Alaska businesses to more fairly compete for state funded procurement contracts.

Please call me or Ginger Baim at 4954 if you have any questions or need additional information.

Cartee & Sons

2601 ARCTIC BLVD. · ANCHORAGE, AK 99503 · (907) 279-1466

December 7, 1984

Representative Roger Jenkins

Box 100484

Anchorage, AK 99510

Dear Representative Jenkins,

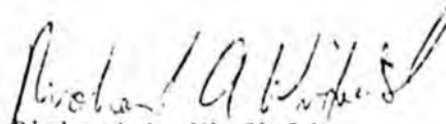
We are enclosing a copy of the letter written to the State of Alaska, Department of Transportation on December 7, 1984, in hope that you will be made aware of the inequities that exist in the State Purchasing system, and hopefully take legislative action to insure that these types of inequities are not allowed to continue.

Thank you for your time and consideration of this matter.

Respectfully,



Don S. Cartee
President



Richard A. Winfield
Sales Representative

Cartee & Sons

2601 ARCTIC BLVD. - ANCHORAGE, AK 99503 - (907) 279-1466

December 7, 1984

State of Alaska
Dept. of Transportation
Pouch Z, Mail Stop 2500
Juneau, AK 99811
ATTN: John Parsons

Mr. Parsons:

We are writing this letter in reference to invitation to bid #25506 "Purchase of t-shirts, baseball caps, and baseball jackets for the Marine Highway System".

We feel that the above mentioned invitation to bid is both questionable and objectionable, for the following reasons.

The invitation to bid creates an unfair advantage to non-Alaskan vendors by virtue of the delivery destination. In order to print the garments with Alaskan labor and then deliver the garments back to Seattle, an Alaskan vendor must pay freight on the shipment to Alaska and then back to Washington, whereas a Washington vendor pays no freight on the garments at all. The approximate freight costs on this shipment are \$400.00 each way, thereby giving a Washington vendor an \$800.00 advantage over an Alaskan vendor, with the higher labor costs and overhead that an Alaskan company must endure, this is almost an insurmountable advantage.

Because of the reasons stated above, we request that the Department of Transportation amend the aforementioned bid to read as follows:

"Items are for delivery to: Department of Transportation Warehouse, 5000 Aircraft Drive, Anchorage, Alaska".

If the amendment is issued, then both the Washington vendor and the Alaskan vendor would be facing identical shipping costs, which would make the bid competitive rather than one-sided.

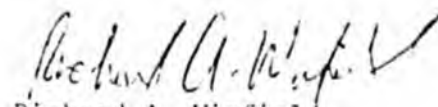
We are a 25 year old Alaskan company that competes effectively with Washington vendors on a regular basis, we use strictly Alaskan labor and all work is done in Alaska.

We realize that it is in the best interest of the State of Alaska to effect purchase and delivery of goods in the least expensive and most timely manner possible, but we do not feel that this should be done in such a way that it effectively eliminates an Alaskan vendor being awarded a contract.

We would appreciate a written reply to this letter, and we thank you for your time and consideration of this matter.

Respectfully,


Don S. Cartee
President


Richard A. Winfield
Sales Representative

cc-Governor Bill Sheffield
cc-Senator Mitch Abood
cc-Representative Roger Jenkins
cc-Representative Don Young
cc-Senator Ted Stevens



INVITATION TO BID

RETURN THIS BID TO:

State of Alaska
Department of Transportation & Public Facilities
Pouch Z - Headquarters Supply Section (MS 2500)
Juneau, Alaska 99811

INVITATION NO. 25506

THIS IS NOT AN ORDER

DATE ISSUED December 4, 1984

SEALED BIDS WILL BE RECEIVED IN SINGLE COPY AT THE ABOVE ADDRESS UNTIL 2:00 P.M. ON December 28, 1984 AT WHICH TIME THEY WILL BE PUBLICLY OPENED.

ITEMS ARE FOR DELIVERY TO: Pier 48, Seattle, Washington 98104

DATE DELIVERY DESIRED AT FINAL DESTINATION: NLT March 29, 1985

F.O.B.: Final Destination

checkbox

IF YOUR COMPANY WOULD LIKE TO SUBMIT A "NO BID", PLEASE CHECK THIS BOX, SIGN THE BID, AND RETURN THIS COVER SHEET TO THE ADDRESS ABOVE. IF YOUR COMPANY DOES WANT TO SUBMIT A BID, MAKE SURE THE BID IS SIGNED AND ALL PAGES OF THE BID DOCUMENT ARE RETURNED BY THE DATE AND TIME MENTIONED ABOVE.

PURCHASE OF T-SHIRTS WITH LOGO, BASEBALL STYLE CAPS WITH LOGO, BASEBALL STYLE WARM-UP WINDBREAKER JACKETS WITH LOGO

TRANSPORTATION COSTS AND ARRANGEMENTS: All transportation and delivery costs to the F.O.B. point are for the account of the Contractor. The Contractor shall assume full responsibility for arrangement of transportation. The State will not be liable for any charges for transportation, drayage, cartage, packing, boxing, crating, storage, or insurance, in excess of the price quoted by the Contractor.

SHIPPING: Title will not pass until goods have been accepted by the State.

RETURNS: All goods or materials purchased herein are subject to approval by the State. Any rejected items, goods, or material resulting because of non-conformity of the terms or specifications of this contract, whether held by the State or returned, will be at the Contractor's risk and expense.

AWARD: Award will be made by lot or by line item, whichever is in the best interest of the State.

DELIVERY DATE: All items in this invitation must be delivered to Pier 48, Seattle, Washington on or before March 29, 1985.

SILENCE OF SPECIFICATION: The apparent silence of this specification and supplemental specifications as to any detail, or the apparent omission from it, of a detailed description concerning any point, shall be regarded as meaning that only best commercial practice is to prevail, and that only materials and workmanship of first quality are to be used.

Handwritten signature of John Parsons

John Parsons

Title: Supply Officer

Telephone No. 465-4010

Page 1 of 7 pages + i & ii

Name of Company Submitting Bid

Authorized Signature

Printed Name

Date

Indicate if you qualify for 5% Alaska Bidder's Preference: Yes No

AK Business License No.

Telephone

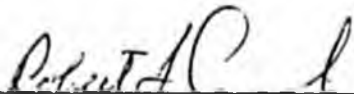
POSITION PAPER

Bill HB 197

The bill provides that all supplies purchased by the State will be delivered to a location within the state, unless the department making the purchase determines that a point of delivery outside the state would be in the best interest of the State. Invitations to Bid (ITB) and other means of procurement must state that the bid price includes delivery at the location named in the ITB.

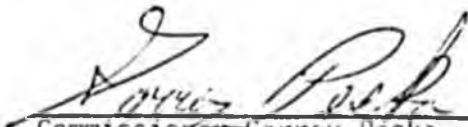
The impact on the Department of Administration (DOA) will be minimal since nearly all ITBs and negotiated purchases already contain this requirement.

The DOA is neutral on this bill.



Robert J. Vink, Director
Division of General Services & Supply

3/27/87
Date



Commissioner Garrey Peska
Department of Administration

5/27/87
Date

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: HB 197
Publish Date: March 27, 1987

Revision Date: _____
Title: An act relating to the delivery
of supplies purchased under the State
procurement code
Sponsor: Labor & Commerce Committee
Requestor: _____

Agency Affected: Dept. of Administration
BRU: General Services & Supply
Components: Purchasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
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
REVENUE	0	0	0	0	0	0

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

The impact on the Department of Administration will be minimal since nearly all Invitations to Bid already contain this requirement.

Prepared By: Robert J. Link *RL* Phone: 465-2253
Division: General Services & Supply Date: March 26, 1987

Approved by Commissioner: Garrey Peska *GP* Date: 3/27/87
Agency: Department of Administration

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