

HB 245

file

(11)

HOUSE COMMITTEE REPORT

Date Referred: May 9, 1991

FURTHER REFERRALS:

Date of Committee Action: 3/18/92

The FINANCE Committee considered:

SSHB 245

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 245

STATE PROCUREMENTS

"An Act relating to publications produced by state agencies and to the procurement of property, property interests, and services, including the services of employees, by certain public entities."

RECOMMENDATIONS:

CS HB 245 (FIN)

tie same title

be replaced with _____

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

2 zero fiscal note DCED ; Admin

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Maclean</i> Maclean ✓		<i>Mark Boyer</i> Boyer		X	
<i>John Koponen</i> Koponen ✓		<i>F. Ulmer</i> Ulmer		X	
<i>Jacko</i> Jacko X	X	<i>Mike Navarre</i> Navarre		X	
<i>Bob Sharp</i> Sharp ✓	✓				
<i>Phillips</i> Phillips ✓	✓				
<i>Ronald J. Hanson</i> Hanson X	X				

Navarre Mike Navarre EP Maclean

CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SSHB 245

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: An Act relating to publications and procurement

BRU: Comm./Administrative Services

Component: Administrative Services

Sponsor: Choquette

Requestor: Choquette

COMPONENT SERIAL NO.

1	0	2	8
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND RESOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

Prepared By: Phil Bennett, Finance Officer Phone: 465-2509

Division: Administrative Services Date: 3-3-92

Approved by Commissioner: Glenn A. Olds *Glenn A. Olds*

Agency: Department of Commerce & Economic Development Date: 3-3-92

distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

Page 1 of 1

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSSHB 245 (STA)

Revision Date: _____
Title: An Act Relating to Publications Produced by State Agencies
and to ...
Sponsor: Choquette
Requestor: _____

Department Affected: Administration
BRU: General Services
Component: Purchasing

COMPONENT SERIAL NO.

6	0		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

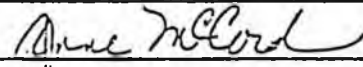
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

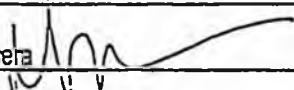
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Anne McCord, Director 
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Nancy Bear Usher 
Agency: Administration

Date: 3/3/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 245 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHOQUETTE, Gruenberg, Baker, Barnes, Carney, B.Davis, C.Davis, Donley, Ellis, Finkelstein, Foster, Gonzales, Grussendorf, Hanley, Hudson, Ivan, Jacko, Kubina, Larson, Leman, Lincoln, Mackie, MacLean, Martin, M.A.Miller, M.W.Miller, Moyer, Parnell, G.Phillips, R.Phillips, Sharp, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to publications produced by state agencies and to the procurement of
2 property, property interests, and services, including the services of employees, by certain
3 public entities."

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

5 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

6 (1) the state needs to develop and maintain a strong, stable, and prosperous economy
7 based on private investment;

8 (2) the existence of a strong and healthy free enterprise system is directly related to the
9 well-being and competitive strength of Alaskan businesses and to the opportunity for Alaskan businesses
10 to have free entry into the business market and to grow and expand;

11 (3) the use of products manufactured, grown, or produced in Alaska strengthens,
12 stabilizes, and diversifies Alaska's economy;

13 (4) when governmental agencies purchase and use out-of-state products and services, they
14 reduce job-creating investments and limit the growth of the economy of Alaska;

1 (5) when bid documents for public contracts do not specify the use of available Alaskan
2 products, comparable out-of-state goods are usually purchased instead, and these purchases result in a
3 loss of revenue in the state and weaken Alaska's economic base;

4 (6) contracts are frequently awarded to out-of-state firms, even though Alaskan suppliers,
5 manufacturers, and providers of services are more accessible and responsive to the needs of Alaska's
6 business community than their out-of-state counterparts;

7 (7) there is a need for Alaska to examine its purchasing practices in order to ensure that
8 state agencies support Alaskan businesses by making every reasonable effort to identify available
9 Alaskan goods and services and to foster bidding by local businesses and labor forces;

10 (8) state agencies should consider the administrative costs of contract awards in the
11 evaluation of bids;

12 (9) before advertising outside Alaska for goods and services and employees, state
13 agencies should conduct a search in Alaska for persons and organizations that can provide needed goods
14 and services;

15 (10) state agencies should only look outside Alaska for goods and services if they have
16 provided notice of the procurement in Alaska.

17 (b) The legislature declares that the purpose of secs. 4 - 12 of this Act is to foster a procurement
18 process where Alaskan businesses obtain a fair proportion of Alaska's total procurement contracts by
19 providing Alaskan businesses with a fair, equitable, and competitive bid process.

20 * Sec. 2. AS 24.55.275 is amended to read:

21 Sec. 24.55.275. PROCUREMENT [CONTRACT] PROCEDURES. The ombudsman
22 shall adopt by regulation procedures consistent with AS 36.30 to be followed by the office of the
23 ombudsman in procuring supplies, services, professional services, construction, and office
24 space [CONTRACTING FOR SERVICES]. However, the procedures based on competitive
25 principles do [PROCEDURE FOR REQUESTS FOR PROPOSALS DOES] not apply to
26 contracts for investigations under AS 24.55.100.

27 * Sec. 3. AS 36.30.020 is amended to read:

28 Sec. 36.30.020. LEGISLATURE. Except as provided under AS 24.55.275, the [THE]
29 Legislative Council shall adopt and publish procedures to govern the procurement of supplies,
30 services, professional services, and construction by the legislative branch. The procedures must
31 be based on the competitive principles consistent with this chapter and must be adapted to the

1 special needs of the legislative branch as determined by the Legislative Council. The procedures
2 must be consistent with the provisions of AS 36.30.080(b) - (c).

3 * Sec. 4. AS 36.30.130(a) is amended to read:

4 (a) The procurement officer shall give adequate public notice of the invitation to bid at
5 least 21 days before the date for the opening of bids. If a determination is made in writing that
6 a shorter notice period is necessary for a particular bid, the 21-day period may be shortened. The
7 determination shall be made by the chief procurement officer for bids for supplies, services, or
8 professional services. The determination shall be made by the commissioner of transportation
9 and public facilities for bids for construction or acquisition of property for the state equipment
10 fleet. Notice shall be published in the Alaska Administrative Journal. The time and manner of
11 notice must be in accordance with regulations adopted by the commissioner of administration.
12 When practicable, notice may include

13 (1) publication in a newspaper calculated to reach prospective bidders located in
14 the state;

15 (2) notices posted in public places within the area where the work is to be
16 performed or the material furnished; and

17 (3) notices mailed to all active prospective contractors on the appropriate list
18 maintained under AS 36.30.050

19 (A) if the contractors are located in the state;

20 (B) upon request, if the contractors are not located in the state.

21 * Sec. 5. AS 36.30.150(a) is amended to read:

22 (a) Bids shall be unconditionally accepted without alteration or correction, except as
23 authorized in AS 36.30.160. The procurement officer shall evaluate bids based on the
24 requirements set out in the invitation to bid, which may include criteria to determine acceptability
25 such as inspection, testing, quality, delivery, and suitability for a particular purpose, and which
26 must include consideration of administrative costs. The criteria that will affect the bid price
27 and be considered in evaluation for award must be objectively measurable, such as discounts,
28 transportation costs, administrative costs, and total or life cycle costs. The invitation to bid
29 must set out the evaluation criteria to be used. Criteria may not be used in bid evaluation if they
30 are not set out in the invitation to bid. In this subsection, "administrative costs" includes the
31 additional costs that result from the out-of-state geographical location of the bidder.

1 * Sec. 6. AS 36.30.850(b) is amended by adding a new paragraph to read:

2 (23) contracts to be performed in an area outside of the country and requiring
3 knowledge of the customs, procedures, rules, or laws of the area.

4 * Sec. 7. AS 36.30 is amended by adding a new section to read:

5 Sec. 36.30.905. DESIGN OF PROCUREMENTS. (a) Except as prohibited under
6 AS 36.30.320(d), a state agency shall, to the fullest extent practicable, design procurements in
7 a way that fosters participation by Alaska bidders or offerors.

8 (b) Except as prohibited under AS 36.30.320(d), if a proposed procurement is too large
9 to be performed by Alaska bidders or offerors, and if the procurement officer determines that
10 Alaska bidders or offerors generally would be capable of performing the procurement if the
11 procurement were reduced in size or otherwise restructured, the agency that is proposing the
12 procurement shall divide or otherwise structure the procurement so that it can be performed by
13 Alaska bidders or offerors. If it is anticipated that two or more Alaska bidders or offerors would
14 be capable of performing the procurement, this subsection does not apply.

15 (c) In this section, "Alaska bidders or offerors" means persons who qualify as Alaska
16 bidders under AS 36.30.170(b).

17 * Sec. 8. AS 36.30 is amended by adding a new section to read:

18 Sec. 36.30.960. USE OF LOCAL GOODS AND SERVICES. A bidder or offeror shall
19 provide the procurement officer with an explanation of how the bidder or offeror proposes to use
20 supplies and services from businesses located in the state, including a description of the
21 components of the contract and the address of each subcontractor the bidder or offeror will use.
22 If a bidder or offeror is not using supplies and services from the state for a part of the contract,
23 the bidder or offeror shall provide the procurement officer with an explanation why they are not
24 being used.

25 * Sec. 9. AS 39.25 is amended by adding a new section to read:

26 Sec. 39.25.165. OUT-OF-STATE SOLICITATION OF EMPLOYEES. (a) Except as
27 provided in (b) of this section, a state agency, including the division of personnel, may not solicit
28 outside the state for individuals to fill a position as a state employee unless the personnel officer
29 determines in writing that the agency has actively solicited in good faith in the state during the
30 four-week period that followed the date when the agency began soliciting for the position and
31 has been unable to find sufficient individuals qualified for the position. In this subsection,

1 "personnel officer" means the commissioner of administration for a state agency of the executive
2 branch, the speaker of the house of representatives for the members, committees, and leadership
3 of the house of representatives, the president of the senate for the members, committees, and
4 leadership of the senate, the ombudsman for the office of the ombudsman, and the executive
5 director of the Legislative Affairs Agency for the other entities of the legislative branch.

6 (b) The prohibition in (a) of this section does not apply if the state agency is

7 (1) in the executive branch and the commissioner of administration makes a writ-
8 ten finding that the state agency is not likely to be able to find an individual who is qualified for
9 the position by soliciting in the state;

10 (2) in the legislative branch and the legislative budget and audit committee makes
11 a written finding that the state agency is not likely to be able to find an individual who is
12 qualified for the position by soliciting in the state.

13 (c) In this section,

14 (1) "position" includes a position in the classified, exempt, or partially exempt
15 service, except a position identified in AS 39.25.110(1), (2), (4), (11), or (17), and except
16 appointments made by the governor for members of boards, commissions, and authorities;

17 (2) "solicit" includes advertising, initiating contact with an individual, and sending
18 a copy of an employment vacancy notice to an individual who has not requested the notice;

19 (3) "state agency" means

20 (A) a department, institution, board, commission, division, authority,
21 public corporation, or other administrative unit of the executive branch, but does not
22 include the University of Alaska;

23 (B) a committee, commission, or other administrative or organizational
24 unit of the legislative branch, including the leadership of each house and the office of the
25 ombudsman.

26 * Sec. 10. AS 44.99.200 is repealed and reenacted to read:

27 Sec. 44.99.200. PRODUCTION OF PUBLICATIONS. The publications of a state
28 agency shall be produced at a facility located in the state when practicable. The Department of
29 Administration shall establish standards for the production of publications by state agencies,
30 except that the Board of Regents of the University of Alaska shall establish the standards for the
31 university. The standards shall be designed to promote simplicity, low cost, and consistency.

1 * Sec. 11. AS 44.99.210 is amended to read:

2 Sec. 44.99.210. DISCLOSURES ON PUBLICATION. If [A PUBLICATION OF A
3 STATE AGENCY IS EXEMPTED UNDER AS 44.99.200(a) FROM BEING PRODUCED AT
4 A STATE-OPERATED FACILITY AND IF] the actual annual costs for a [THE] publication of
5 a state agency that are paid from the general fund exceed \$1,500, the publication must include
6 a statement that gives the name of the agency releasing the publication, the purpose of the
7 publication, the cost for each copy of the publication, and the city and state where the printing
8 was done. The statement must read: "This publication was released by . . . (name of state
9 agency) . . ., produced at a cost of \$ per copy to . . . (statement of purpose) . . ., and
10 printed in (city and state where printed)." If the publication is required by law, the
11 statement must also include: "This publication is required by . . . (appropriate citation to Alaska
12 law)." The statement may include, if applicable, a declaration of the revenue raised by the sale
13 of the publication or from the purchase of advertising in the publication. The statement shall be
14 printed in one conspicuous place in the body of the publication in a type size that is not smaller
15 than eight points and shall be placed in a box composed of at least one point rule. In this
16 section, "cost for each copy" means the figure that results after dividing the total contract cost
17 of producing the publication by the number of copies produced. This section does not apply to
18 a publication that is intended primarily for foreign or other out-of-state use, or to a program for
19 a public ceremony of a state agency.

20 * Sec. 12. AS 44.99.230 is repealed.

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

March 16, 1992

SUBJECT: Proposed CSSSHB 245 (Finance)

TO: Representative Mike Navarre, Co-Chair
House Finance Committee
Attn: Alison

FROM: Theresa L. Bannister *TLB*
Legislative Counsel

This memo accompanies the draft that you requested for CSSSHB 245 (Finance), a bill relating to state procurement.

Please be aware that one of the provisions in the draft raises constitutional issues. This provision was already contained in the bill and is not raised by the changes proposed by your committee.

The issue is contained in sec. 6. This section raises a constitutional privileges and immunities issue.^{1/} Section 6 raises the issue to the extent that the section tends to discriminate against natural persons who are nonresidents.

The section attempts to motivate bidders and offerors to use resident supplies and services by requiring bidders and offerors to explain how they propose to use resident supplies and services in the contract. The bidders and offerors must also explain why they are not using resident supplies and services.

While the state is given certain leeway in preferring its own residents in its own contracts, this leeway is not unlimited. The issue boils down to whether requiring these explanations falls within this leeway. On the one hand, the requirement does not establish a specific preference or a penalty for not using resident supplies and services. On the other hand, it applies to every contract and may establish a preference for residents, depending on the circumstances of the situation. The section does not indicate how the results of this requirement are to be applied and could have a very broad application, particularly when considering proposals, since

^{1/} U.S. Constitution art. IV, sec. 2, cl.1.

Representative Mike Navarre

March 16, 1992

Page 2

the evaluation of proposals leaves more discretion to the agency. The potential for a broad, discretionary application that would screen out persons who don't use state products and service (or have a good reason for not doing so) may outweigh the state's proprietary interest. In a case applying the privileges and immunities clause to a local hire law, the Alaska Supreme Court decided not to give any weight to the fact that the state was procuring its own contracts, because the number of contracts affected by the local hire law was such a large percentage of all the construction projects in the state. Robison v. Francis, 713 P.2d 259, 265-266 (Alaska 1986). The outcome of a challenge in this case is unclear.

If I can be of further assistance, please advise.

TLB:gc
92-235.glc

Enclosure

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 245 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES CHOQUETTE, Gruenberg, Baker, Barnes, Carney, B.Davis, C.Davis, Donley, Ellis, Finkelstein, Foster, Gonzales, Grussendorf, Hanley, Hudson, Ivan, Jacko, Kubina, Larson, Leman, Lincoln, Mackie, MacLean, Martin, M.A.Miller, M.W.Miller, Moyer, Parnell, G.Phillips, R.Phillips, Sharp, Taylor

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to publications produced by state agencies and to the procurement of
2 property, property interests, and services, including the services of employees, by certain
3 public entities."**

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

5 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

**6 (1) the state needs to develop and maintain a strong, stable, and prosperous economy
7 based on private investment;**

**8 (2) the existence of a strong and healthy free enterprise system is directly related to the
9 well-being and competitive strength of Alaskan businesses and to the opportunity for Alaskan businesses
10 to have free entry into the business market and to grow and expand;**

**11 (3) the use of products manufactured, grown, or produced in Alaska strengthens,
12 stabilizes, and diversifies Alaska's economy;**

**13 (4) when governmental agencies purchase and use out-of-state products and services, they
14 reduce job-creating investments and limit the growth of the economy of Alaska;**

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3 loss of revenue in the state and weaken Alaska's economic base;

4 (6) contracts are frequently awarded to out-of-state firms, even though Alaskan suppliers,
5 manufacturers, and providers of services are more accessible and responsive to the needs of Alaska's
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8 state agencies support Alaskan businesses by making every reasonable effort to identify available
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10 (8) state agencies should consider the administrative costs of contract awards in the
11 evaluation of bids;

12 (9) before advertising outside Alaska for goods and services and employees, state
13 agencies should conduct a search in Alaska for persons and organizations that can provide needed goods
14 and services;

15 (10) state agencies should only look outside Alaska for goods and services if they have
16 provided notice of the procurement in Alaska.

17 (b) The legislature declares that the purpose of this Act is to foster a procurement process where
18 Alaskan businesses obtain a fair proportion of Alaska's total procurement contracts by providing Alaskan
19 businesses with a fair, equitable, and competitive bid process.

20 * Sec. 2. AS 36.30.130(a) is amended to read:

21 (a) The procurement officer shall give adequate public notice of the invitation to bid at
22 least 21 days before the date for the opening of bids. If a determination is made in writing that
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24 determination shall be made by the chief procurement officer for bids for supplies, services, or
25 professional services. The determination shall be made by the commissioner of transportation
26 and public facilities for bids for construction or acquisition of property for the state equipment
27 fleet. Notice shall be published in the Alaska Administrative Journal. The time and manner of
28 notice must be in accordance with regulations adopted by the commissioner of administration.
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30 (1) publication in a newspaper calculated to reach prospective bidders located in
31 the state;

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2 performed or the material furnished; and

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16 are not set out in the invitation to bid. In this subsection, "administrative costs" includes the
17 additional costs that result from the out-of-state geographical location of the bidder.

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20 knowledge of the customs, procedures, rules, or laws of the area.

21 * Sec. 5. AS 36.30 is amended by adding a new section to read:

22 Sec. 36.30.905. DESIGN OF PROCUREMENTS. (a) Except as prohibited under
23 AS 36.30.320(d), a state agency shall, to the fullest extent practicable, design procurements in
24 a way that fosters participation by Alaska bidders or offerors.

25 (b) Except as prohibited under AS 36.30.320(d), if a proposed procurement is too large
26 to be performed by Alaska bidders or offerors, and if the procurement officer determines that
27 Alaska bidders or offerors generally would be capable of performing the procurement if the
28 procurement were reduced in size or otherwise restructured, the agency that is proposing the
29 procurement shall divide or otherwise structure the procurement so that it can be performed by
30 Alaska bidders or offerors. If it is anticipated that two or more Alaska bidders or offerors would
31 be capable of performing the procurement, this subsection does not apply.

1 (c) In this section, "Alaska bidders or offerors" means persons who qualify as Alaska
2 bidders under AS 36.30.170(b).

3 * Sec. 6. AS 36.30 is amended by adding a new section to read:

4 Sec. 36.30.960. USE OF LOCAL GOODS AND SERVICES. A bidder or offeror shall
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13 provided in (b) of this section, a state agency, including the division of personnel, may not solicit
14 outside the state for individuals to fill a position as a state employee unless the personnel officer
15 determines in writing that the agency has actively solicited in good faith in the state during the
16 four-week period that followed the date when the agency began soliciting for the position and
17 has been unable to find sufficient individuals qualified for the position. In this subsection,
18 "personnel officer" means the commissioner of administration for a state agency of the executive
19 branch, the speaker of the house of representatives for the members, committees, and leadership
20 of the house of representatives, the president of the senate for the members, committees, and
21 leadership of the senate, the ombudsman for the office of the ombudsman, and the executive
22 director of the Legislative Affairs Agency for the other entities of the legislative branch.

23 (b) The prohibition in (a) of this section does not apply if the state agency is

24 (1) in the executive branch and the commissioner of administration makes a writ-
25 ten finding that the state agency is not likely to be able to find an individual who is qualified for
26 the position by soliciting in the state;

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30 (c) In this section,

31 (1) "position" includes a position in the classified, exempt, or partially exempt

1 service, except a position identified in AS 39.25.110(1), (2), (4), (11), or (17), and except
2 appointments made by the governor for members of boards, commissions, and authorities;

3 (2) "solicit" includes advertising, initiating contact with an individual, and sending
4 a copy of an employment vacancy notice to an individual who has not requested the notice;

5 (3) "state agency" means

6 (A) a department, institution, board, commission, division, authority,
7 public corporation, or other administrative unit of the executive branch, but does not
8 include the University of Alaska;

9 (B) a committee, commission, or other administrative or organizational
10 unit of the legislative branch, including the leadership of each house and the office of the
11 ombudsman.

12 * Sec. 8. AS 44.99.200 is repealed and reenacted to read:

13 Sec. 44.99.200. PRODUCTION OF PUBLICATIONS. The publications of a state
14 agency shall be produced at a facility located in the state when practicable. The Department of
15 Administration shall establish standards for the production of publications by state agencies,
16 except that the Board of Regents of the University of Alaska shall establish the standards for the
17 university. The standards shall be designed to promote simplicity, low cost, and consistency.

18 * Sec. 9. AS 44.99.210 is amended to read:

19 Sec. 44.99.210. DISCLOSURES ON PUBLICATION. If [A PUBLICATION OF A
20 STATE AGENCY IS EXEMPTED UNDER AS 44.99.200(a) FROM BEING PRODUCED AT
21 A STATE-OPERATED FACILITY AND IF] the actual annual costs for a [THE] publication of
22 a state agency that are paid from the general fund exceed \$1,500, the publication must include
23 a statement that gives the name of the agency releasing the publication, the purpose of the
24 publication, the cost for each copy of the publication, and the city and state where the printing
25 was done. The statement must read: "This publication was released by . . . (name of state
26 agency) . . . , produced at a cost of \$ per copy to . . . (statement of purpose) . . . , and
27 printed in (city and state where printed)." If the publication is required by law, the
28 statement must also include: "This publication is required by . . . (appropriate citation to Alaska
29 law)." The statement may include, if applicable, a declaration of the revenue raised by the sale
30 of the publication or from the purchase of advertising in the publication. The statement shall be
31 printed in one conspicuous place in the body of the publication in a type size that is not smaller

- 1 than eight points and shall be placed in a box composed of at least one point rule. In this
2 section, "cost for each copy" means the figure that results after dividing the total contract cost
3 of producing the publication by the number of copies produced. This section does not apply to
4 a publication that is intended primarily for foreign or other out-of-state use, or to a program for
5 a public ceremony of a state agency.
- 6 * **Sec. 10.** AS 44.99.230 is repealed.

7-LS0819X
Bannister
3/3/92

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 245 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

MAR 3 1992

Sponsor(s): REPRESENTATIVES CHOQUETTE, Gruenberg, Baker, Barnes, Carney, B.Davis, C.Davis, Donley, Ellis, Finkelstein, Foster, Gonzales, Grussendorf, Hanley, Hudson, Ivan, Jacko, Kubina, Larson, Leman, Lincoln, Mackie, MacLean, Martin, M.A.Miller, M.W.Miller, Moyer, Parnell, G.Phillips, R.Phillips, Sharp, Taylor

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to publications produced by state agencies and to the procurement of
2 property, property interests, and services, including the services of employees, by certain
3 public entities."**

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

5 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

**6 (1) the state needs to develop and maintain a strong, stable, and prosperous economy
7 based on private investment;**

**8 (2) the existence of a strong and healthy free enterprise system is directly related to the
9 well-being and competitive strength of Alaskan businesses and to the opportunity for Alaskan businesses
10 to have free entry into the business market and to grow and expand;**

**11 (3) the use of products manufactured, grown, or produced in Alaska strengthens,
12 stabilizes, and diversifies Alaska's economy;**

**13 (4) when governmental agencies purchase and use out-of-state products and services, they
14 reduce job-creating investments and limit the growth of the economy of Alaska;**

1 (5) when bid documents for public contracts do not specify the use of available Alaskan
2 products, comparable out-of-state goods are usually purchased instead, and these purchases result in a
3 loss of revenue in the state and weaken Alaska's economic base;

4 (6) contracts are frequently awarded to out-of-state firms, even though Alaskan suppliers,
5 manufacturers, and providers of services are more accessible and responsive to the needs of Alaska's
6 business community than their out-of-state counterparts;

7 (7) there is a need for Alaska to examine its purchasing practices in order to ensure that
8 state agencies support Alaskan businesses by making every reasonable effort to identify available
9 Alaskan goods and services and to foster bidding by local businesses and labor forces;

10 (8) state agencies should consider the administrative costs of contract awards in the
11 evaluation of bids;

12 (9) before advertising outside Alaska for goods and services and employees, state
13 agencies should conduct a search in Alaska for persons and organizations that can provide needed goods
14 and services;

15 (10) state agencies should only look outside Alaska for goods and services if they have
16 provided notice of the procurement in Alaska.

17 (b) The legislature declares that the purpose of this Act is to foster a procurement process where
18 Alaskan businesses obtain a fair proportion of Alaska's total procurement contracts by providing Alaskan
19 businesses with a fair, equitable, and competitive bid process.

20 * Sec. 2. AS 36.30.130(a) is amended to read:

21 (a) The procurement officer shall give adequate public notice of the invitation to bid at
22 least 21 days before the date for the opening of bids. If a determination is made in writing that
23 a shorter notice period is necessary for a particular bid, the 21-day period may be shortened. The
24 determination shall be made by the chief procurement officer for bids for supplies, services, or
25 professional services. The determination shall be made by the commissioner of transportation
26 and public facilities for bids for construction or acquisition of property for the state equipment
27 fleet. Notice shall be published in the Alaska Administrative Journal. The time and manner of
28 notice must be in accordance with regulations adopted by the commissioner of administration.
29 When practicable, except as prohibited by AS 36.30.875, notice may include

30 (1) publication in a newspaper calculated to reach prospective bidders located in
31 the state;

1 (2) notices posted in public places within the area where the work is to be
2 performed or the material furnished; and

3 (3) notices mailed to all active prospective contractors on the appropriate list
4 maintained under AS 36.30.050.

5 * Sec. 3. AS 36.30.150(a) is amended to read:

6 (a) Bids shall be unconditionally accepted without alteration or correction, except as
7 authorized in AS 36.30.160. The procurement officer shall evaluate bids based on the
8 requirements set out in the invitation to bid, which may include criteria to determine acceptability
9 such as inspection, ~~testing~~, quality, delivery, and suitability for a particular purpose, and which
10 must include consideration of administrative costs. The criteria that will affect the bid price
11 and be considered in evaluation for award must be objectively measurable, such as discounts,
12 transportation costs, administrative costs, and total or life cycle costs. The invitation to bid
13 must set out the evaluation criteria to be used. Criteria may not be used in bid evaluation if they
14 are not set out in the invitation to bid. In this subsection, "administrative costs" includes the
15 additional costs that result from the out-of-state geographical location of the bidder or the
16 bidder's source of supplies, including costs for transportation, communications, and per
17 diem.

18 * Sec. 4. AS 36.30.850(b) is amended by adding a new paragraph to read:

19 (23) contracts to be performed in an area outside of the country and requiring
20 knowledge of the customs, procedures, rules, or laws of the area.

21 * Sec. 5. AS 36.30 is amended by adding a new section to read:

22 Sec. 36.30.875. NOTICE OF CONTRACTS. (a) An agency shall provide notice of a
23 contract solicitation to every contractor located in the state who is on a contractor list established
24 under AS 36.30.050(a) and who provides the supplies, services, or professional services that the
25 agency is procuring.

26 (b) An agency may not provide notice of a contract outside the state until the agency has
27 provided notice inside the state, except the agency may provide notice to a person who has
28 requested the notice. In this section, being on a contractor list maintained under AS 36.30.050(a)
29 does not constitute a request for the notice.

30 (c) This section does not apply to procurements made under AS 36.30.300 - 36.30.320.

31 * Sec. 6. AS 36.30 is amended by adding a new section to read:

1 Sec. 36.30.905. DESIGN OF PROCUREMENTS. (a) To the fullest extent practicable,
2 a state agency shall design procurements in a way that fosters participation by Alaska bidders or
3 offerors.

4 (b) If a proposed procurement is too large to be performed by Alaska bidders or offerors,
5 and if the procurement officer determines that Alaska bidders or offerors generally would be
6 capable of performing the procurement if the procurement were reduced in size or otherwise
7 restructured, the agency that is proposing the procurement shall divide or otherwise structure the
8 procurement so that it can be performed by Alaska bidders or offerors. If it is anticipated that
9 two or more Alaska bidders or offerors would be capable of performing the procurement, this
10 subsection does not apply.

11 (c) In this section, "Alaska bidders or offerors" means persons who qualify as Alaska
12 bidders under AS 36.30.170(b).

13 * Sec. 7. AS 36.30 is amended by adding a new section to read:

14 Sec. 36.30.960. USE OF LOCAL GOODS AND SERVICES. A bidder or offeror shall
15 provide the procurement officer with an explanation of how the bidder or offeror proposes to use
16 supplies and services from businesses located in the state, including a description of the
17 components of the contract and the address of each subcontractor the bidder or offeror will use.
18 If a bidder or offeror is not using supplies and services from the state for a part of the contract,
19 the bidder or offeror shall provide the procurement officer with an explanation why they are not
20 being used.

21 * Sec. 8. AS 39.25 is amended by adding a new section to read:

22 Sec. 39.25.165. OUT-OF-STATE SOLICITATION OF EMPLOYEES. (a) Except as
23 provided in (b) of this section, a state agency, including the division of personnel, may not solicit
24 outside the state for individuals to fill a position as a state employee unless the personnel officer
25 determines in writing that the agency has actively solicited in good faith in the state during the
26 four-week period that followed the date when the agency began soliciting for the position and
27 has been unable to find sufficient individuals qualified for the position. In this subsection,
28 "personnel officer" means the commissioner of administration for a state agency of the executive
29 branch, the speaker of the house of representatives for the members, committees, and leadership
30 of the house of representatives, the president of the senate for the members, committees, and
31 leadership of the senate, the ombudsman for the office of the ombudsman, and the executive

1 director of the Legislative Affairs Agency for the other entities of the legislative branch.

2 (b) The prohibition in (a) of this section does not apply if the state agency is

3 (1) in the executive branch and the governor makes a written finding that the state
4 agency is not likely to be able to find an individual who is qualified for the position by soliciting
5 in the state;

6 (2) in the legislative branch and the legislative budget and audit committee makes
7 a written finding that the state agency is not likely to be able to find an individual who is
8 qualified for the position by soliciting in the state.

9 (c) In this section,

10 (1) "position" includes a position in the classified, exempt, or partially exempt
11 service, except a position identified in AS 39.25.110(1), (2), or (4), and except appointments
12 made by the governor for members of boards, commissions, and authorities;

13 (2) "solicit" includes advertising, initiating contact with an individual, and sending
14 a copy of an employment vacancy notice to an individual who has not requested the notice;

15 (3) "state agency" means

16 (A) a department, institution, board, commission, division, authority,
17 public corporation, or other administrative unit of the executive branch, but does not
18 include the University of Alaska;

19 (B) a committee, commission, or other administrative or organizational
20 unit of the legislative branch, including the leadership of each house and the office of the
21 ombudsman.

22 * Sec. 9. AS 44.99.200 is repealed and reenacted to read:

23 Sec. 44.99.200. PRODUCTION OF PUBLICATIONS. The publications of a state
24 agency shall be produced at a facility located in the state when practicable. The Department of
25 Administration shall establish standards for the production of publications by state agencies,
26 except that the Board of Regents of the University of Alaska shall establish the standards for the
27 university. The standards shall be designed to promote simplicity, low cost, and consistency.
28 The standards shall also be designed to promote the maximum use of private sector printing
29 facilities located in the state when the use of private sector printing facilities is the least
30 expensive alternative.

31 * Sec. 10. AS 44.99.210 is amended to read:

1 Sec. 44.99.210. DISCLOSURES ON PUBLICATION: IF [A PUBLICATION OF A
2 STATE AGENCY IS EXEMPTED UNDER AS 44.99.200(a) FROM BEING PRODUCED AT
3 A STATE-OPERATED FACILITY AND IF] the actual annual costs for a [THE] publication of
4 a state agency that are paid from the general fund exceed \$1,500, the publication must include
5 a statement that gives the name of the agency releasing the publication, the purpose of the
6 publication, the cost for each copy of the publication, and the city and state where the printing
7 was done. The statement must read: "This publication was released by . . . (name of state
8 agency) . . . , produced at a cost of \$ per copy to . . . (statement of purpose) . . . , and
9 printed in (city and state where printed)." If the publication is required by law, the
10 statement must also include: "This publication is required by . . . (appropriate citation to Alaska
11 law)." The statement may include, if applicable, a declaration of the revenue raised by the sale
12 of the publication or from the purchase of advertising in the publication. The statement shall be
13 printed in one conspicuous place in the body of the publication in a type size that is not smaller
14 than eight points and shall be placed in a box composed of at least one point rule. In this
15 section, "cost for each copy" means the figure that results after dividing the total contract cost
16 of producing the publication by the number of copies produced. This section does not apply to
17 a publication that is intended primarily for foreign or other out-of-state use, or to a program for
18 a public ceremony of a state agency.

19 * Sec. 11. AS 44.99.230 is repealed.

Alaska State Legislature
House of Representatives



INTERIM

3111 C Street
Anchorage, Alaska 99503
(907) 561-2032

SESSION

P.O. Box V
Juneau, Alaska 99811
(907) 465-2995

Representative Dave Choquette

MEMORANDUM

DATE: March 18, 1992

TO: Rep. Mike Navarre, Chairman
Rep. Eileen MacLean, Chairwoman
House Finance Committee

FROM: Rep. Dave Choquette

RE: CSSSHB 245 (Finance), "An Act relating to publications produced by state agencies and the procurement of property, property interests, and services, including the services of employees, by certain public entities."

Thank you for scheduling CSSSHB 245 (Finance) for another hearing before the Finance Committee.

On March 4, 1992, I testified before this committee on a blank CS for HB 245. Since then, a Finance Subcommittee has considered and drafted a new Finance CS for this bill. In this memo I will briefly outline the changes from the blank CS to CSSSHB 245 (Finance).

Section 1. FINDINGS & PURPOSE: No changes.

Section 2. (REGARDING PUBLICATION OF A NOTICE OF CONTRACT SOLICITATION, AND MAILING NOTICES TO PROSPECTIVE CONTRACTORS):

This section incorporates Section 5 of the old CS. Section 5 mandated an agency to provide notice of a contract solicitation to every contractor in the state before soliciting out of state. In the Finance CS this provision is permissive rather than mandatory.

Section 3 (REGARDING THE INCLUSION OF ADMINISTRATIVE COSTS IN THE BID EVALUATION CRITERIA):

Duplicative language regarding what is to be included in calculating "administrative costs" is dropped. ★

Section 4. (REGARDING FOREIGN CONTRACTS): No changes. ★

★ ★
★ ★

Memorandum CSSSHB 245 (Finance)

March 18, 1992

Page 2

Section 5 [6]. DESIGN OF PROCUREMENTS: Language was added to prohibit the restructuring of procurements in violation of AS 36.30.320(d), which states "Procurement requirements may not be artificially divided or fragmented so as to constitute a purchase under this section (Small Procurements) or to circumvent the source selection procedures required by AS 36.30.100 - 270.

Section 6 [7]. USE OF LOCAL GOODS AND SERVICES: No changes.

Section 7 [8]. OUT-OF-STATE SOLICITATION OF EMPLOYEES:

In subsection (b)(1), "governor" is replaced with "commissioner of administration", so that the "prohibition in (a) of this section does not apply when a state agency in the executive branch and the commissioner of administration makes a written finding that the state agency is not likely to be able to find an individual who is qualified for the position by soliciting in the state."

In subsection (c)(1), positions not included in the definition of "position" for the purposes of this section are expanded to include the officers and employees of the State residing in foreign countries, and certain boards and commissions (the AK Gas Pipeline Financing Authority, the AK Permanent Fund Corporation, the AK Industrial Development and Export Authority, the AK Commercial Fisheries Entry Commission, and the AK Commission on Postsecondary Education).

Section 8 [9]. PRODUCTION OF PUBLICATIONS: Language requiring that standards be designed to promote the maximum use of private sector printing facilities located in the state when they are the least cost alternative is dropped.

Section 9 [10]. DISCLOSURES ON PUBLICATION: No changes.

Section 10 [11]. AS 44.99.230 is repealed.: No changes.

MEMORANDUM

State of Alaska
Department of Law

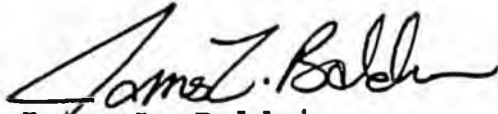
TO: The Honorable Dave Choquette
Alaska House of Representatives

DATE: March 18, 1992

FILE NO:

TEL. NO: 465-3600

SUBJECT: CSSSHB 245 (Finance)



FROM: James L. Baldwin
Assistant Attorney General
Governmental Affairs - Juneau

You requested our review of a provision in CSSSHB 245(Fin) which requires bidders or offerors on state procurements to disclose how the bidder or offeror intends to use supplies and services available in the state in the performance of the contract. Legislative counsel has warned that, depending on how the provision is implemented by the purchasing authority, the section may violate the privileges and immunities clause of the U.S. Constitution.

Our reading of the section is that a bidder is not disqualified if he or she fails to propose to use the in-state supplies or services. The bidder is merely required to disclose its' intentions in that regard. In its present form, the section does not regulate the right of an out-of-state contractor to come here and pursue his or her trade or business. It is well established that the state is granted some leeway when it is a market participant seeking to set conditions on the expenditure of funds it controls. United Building & Construction Trades v. Mayor and Council of the City of Camden, 465 U.S. 208, 220 - 223 (1984).

The Alaska Supreme Court has acknowledged that a certain degree of deference will be given when reviewing a state statute applicable to the involvement of nonresidents who are seeking to market goods and services to the state. The court stated

Thus, where the discrimination is far-reaching and exclusive in nature, and extends to the fringes of the state's proprietary interests, the state is entitled to little deference. On the other hand, where the discrimination is narrow in scope and involves a direct relationship between the state and affected individuals, greater deference is called for.

Robison v. Francis, 713 P.2d 259, 264 (1986). The so-called discrimination implied in the provision appears to be sufficiently narrow in scope. Further, it does not operate to disqualify a bidder. By implication, it suggests to a bidder that the state

The Honorable David Choquette
CSSSHB 245

March 18, 1992
Page 2

encourages the use of instate supplies and services leaving a nonresident bidder free to come here to do business.

I hope this memorandum will serve your purposes.

PR what is or was this bill
Amphrey

**SYNOPSIS OF THE EFFECT
OF HB 245
ON UAF PROCUREMENTS**

Most would agree that legislative solutions to free market problems are risky at best. Before setting out to find a solution, should we not determine whether there really is a problem? I would ask the sponsors of this legislation three fundamental questions:

- What percentage of bid dollars is currently being spent in-state?
- What is a realistic goal for in-state expenditure of bid dollars?
- What cost limit should be imposed in reaching or raising this goal?

The answer to the second and third question are for the legislature to decide but I can answer the first. In FY91 year to date, 86% of all bid dollars at UAF have been awarded to Alaskan bidders. It is my understanding that for the State of Alaska approximately 94% of all bid dollars have been awarded to Alaskan bidders. This is not surprising to me. The majority of the Alaskan bidders with whom we deal are well established, competitive vendors who have already carved out their place in the market. In fact, in my opinion and in my experience, these are the very businesses that will be hurt by this bill. Nothing in this legislation sets a limit on how much more we are to spend in an effort to exclude outside competition. As the State's willingness to pay a premium to Alaskan vendors increases, so does the number of "kitchen table businesses", carpetbaggers if you will. I saw this during the pipeline boom and even though the State's economy is depressed, this legislation will provide a bonanza for these "business card only" businesses that sprout up as lower 48 businesses contrive to reap the benefits of the State's ill conceived attempt at a legislative solution to a free market problem. Just as reducing competition weakens every other endeavor, so too will this entrepreneurial welfare act produce higher cost, reduce quality of service, and require more administration. It mocks sound business practice, and will provide economic benefit only to those least skilled and with the least investment in our State economy. This bill is no friend to Alaskan business.

SPECIFIC ISSUES:

Addition of Administrative Costs -- These costs are first to be "objectively" determined, but then go on to identify such costs as transportation, communications, and per diem. All bids currently awarded now include transportation. Bids, by law, must be F.O.B. destination. Therefore, transportation is already factored into the award. Communications is a vague cost indicator too because, for instance, the cost of intra-state telephone charges is higher than for inter-state calls. Are we to penalize the Alaskan bidder for this? Per diem too, is a cost that must be included in the bottom line of any bid and like transportation is already included in those bids in which per diem is expected to play a role. To attempt to divine further administrative costs is speculative and leaves the State and University at the whim of disgruntled bidders. It will cause needless delays and dramatically increase protests. If I do not add enough administrative costs to award the bid in-state I will be protested by the Alaskan bidders for not considering all potentially additive items. If I do add enough costs to compel award in-state the lower 48 vendor will protest on the grounds that I have exaggerated or fabricated costs in bad faith. The ethics of my profession will not allow such a transparent device.

No Advertising Out-of State for 4 Weeks -- The prohibition against advertising out-of-state until bids have been advertised in-state for four weeks is an unconscionable delay of every major purchase we make. The University cannot absorb such an unproductive delay, especially considering the high percentage of awards already being made in-state. Even with the best of planning this will place an undue burden on our support to the academic program and hinder our ability to respond to changing needs.

Solicitation of Contracts – This would require that no bids be solicited out-of-state as long as at least two businesses were in-state that can compete. The mere existence of two in-state business does in no way determine that they are competitive. Competition determines who is and who is not competitive. The minute you announce that purchases will be exclusive to an elite group, the potential for direct, or de facto collusion increases dramatically.

This section would also require a procurement officer to deliberately segment orders. Every person who lives on a fixed income understands the law of "economies of scale". Deliberately designing a bid into smaller components ignores this basic precept. Moreover, this bill also ignores the economies of contract administration as well. Multiple contracts with small vendors is infinitely more costly than single larger contracts. Coordination between multiple contractors is more difficult, the State assumes a greater risk for this coordination, and the risk of default increases as well.

Also, at what point do I stop segmenting the requirement? If I divide the project to include one in-state vendor, perhaps dividing it into even smaller increments could include other smaller in-state vendors. Where do we stop and how much are we willing to pay?

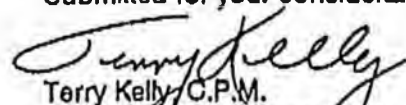
Mandated Use of In-State Suppliers – Coercing bidders. Alaskan or out-of-state, to use in-state suppliers is overstepping the bounds of involvement in the bidders prerogatives. But even if required, how is it to be implemented? The successful bidder, Alaskan or otherwise, has submitted a hard dollar bid. Are we to make him/her absorb the cost if we force the use of in-state suppliers? Are we to allow cost increase in the bid to accommodate such increases? Either way, how does the vendor or the State protect themselves from possible price gouging? What happens when such increases result in the bidder, Alaskan or otherwise, no longer being the low bidder? And again, how much more are we willing to spend to force the business to Alaskan vendors?

Summary - I am a life-long Alaskan. I've been a small business owner in both the retail and the services business. I have been in public purchasing for 15 years and am a Certified Purchasing Manager. This bill is no friend to established Alaskan businesses. Let the marketplace do what it does best. Legislative intentions are laudable, but the effect will be diametrically opposed. Passage will increase costs. This ultimately reduces the available dollars for other purchases for which Alaskan vendors could compete. Passage means increased administration, protests, litigation, and delays. Passage means the legislature is willing to take State revenues that belong to all Alaskans and spend them for the benefit of a few Alaskan businesspersons that would otherwise not be competitive. And finally, passage would trash the integrity and reputation of the State procurement system and its officers.

If the legislators are receiving complaints from vendors feeling they are being bypassed, these complaints are not reaching this institution in the form of protests. Don't just listen to the rhetoric, investigate the facts, and the results of what you propose. The existing State procurement law, AS36.30 is working and Alaskan vendors have a very high success rate under it.

Remember: IF IT AIN'T BROKE, DON'T FIX IT

Submitted for your consideration,


Terry Kelly, C.P.M.
Director of Purchasing UAF

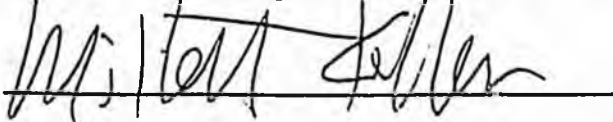
**1991 LEGISLATION
POSITION PAPER**
Bill Number CSSSHB 245 (STA)

Bill Title An Act relating to publications produced by State agencies and to the procurement of property, property interests, and services, including . . .

The Departments of Administration, Commerce and Economic Development and Transportation and Public Facilities concur on the following position.

This bill is an attempt to enhance the opportunities for Alaska firms to secure contracts with the State. It does this in a number of ways. The bill requires interested Alaska vendors be notified of ITBs and RFPs. It requires ITBs and RFPs be designed so Alaska vendors may compete. It requires agencies to consider contract administration costs, including the out of state location of bidders, prior to awarding contracts. The last Procurement Report indicated that approximately six percent of the dollar value of Invitations to Bid and Requests for Proposal went to outside vendors. Since this bill attempts to bring that business back to the State, we support it.

Commissioner Millett Keller, Department of Administration

Signature: 

Commissioner Glenn A. Olds, Department of Commerce and Economic Development

Signature: 

Commissioner Frank G. Turpin, Department of Transportation and Public Facilities

Signature: 