

HB

245

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

WALTER J. HICKEL, GOVERNOR

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- 400 WILLOUGHBY AVENUE, 3RD FLOOR  
JUNEAU, ALASKA 99801  
PHONE (907) 465-2520

April 5, 1991

Honorable David Finkelstein  
House of Representatives  
Room 15, Capitol  
P.O. Box V  
Juneau, AK 99811

Dear Representative Finkelstein:

Please find enclosed a copy of my memo to Carol Wilson in the Department of Natural Resources, Public Affairs Office regarding HB245 which you are sponsoring. It is a needed bill, but a few minor modifications would make it better. Also enclosed are two maps referred to in the enclosed memo.

Sincerely,



G.M. Laird  
Chief, Resource Information Section  
Division of Geological and Geophysical Surveys

gml/jao

enclosures: Memo to Carol Wilson, April 5, 1991  
Professional Report 100  
SS88-1, E-scale

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 12, 1991

FURTHER REFERRALS:

State Affairs  
Finance

Date of Committee Action: 4-23-91

The LABOR AND COMMERCE 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:

be replaced with

CSHB 245 (L+C)

the same title

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) \_\_\_\_\_

zero fiscal note Administration

zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Don M. Lane</i>	<input checked="" type="checkbox"/>				
<i>Adrian Taylor</i>	<input checked="" type="checkbox"/>				
<i>Charles H. ...</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			

*[Signature]*  
CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SSHB 245

Revision Date: \_\_\_\_\_ Department Affected: Commerce & Economic 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 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
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: 4/17/91  
 Approved by Commissioner: Glenn A. Olds  
 Agency: Department of Commerce & Economic Development Date: 4-17-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SSHB 245

Revision Date: \_\_\_\_\_ Department Affected: Administration  
 Title: An Act Relating to Publications BRU: General Services  
Produced by State Agencies and to ... Component: Purchasing  
 Sponsor: Choquette  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

6	0		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	*	*	*	*	*	*

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached for explanation of \*.

Prepared By: Robert J. Link *Robert Link* Phone: 465-2250  
 Division: General Services Date: 4/15/91  
 Approved by Commission: Millett Keller *Mark Miller* Ch. 1114  
 Agency: ADMINISTRATION Date: 4/15/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CSSSHB 215 (L&C)

Revision Date: \_\_\_\_\_

Department Affected: Administration

Title: An Act relating to publications produced by State

BRU: General Services

Agencies and to \_\_\_\_\_

Component: Purchasing

Sponsor: Chicoine

Requestor: House Labor and Commerce

COMPONENT SERIAL NO. 

6	0		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

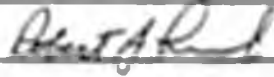
POSITIONS:

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: 0

ANALYSIS: (Attach a separate page if necessary)

Section 7 is placed in the general provisions section of the statute. Sponsor indicated it should apply to invitations to Bid (ITB) and Request for Proposals (RFPs). We foresee no significant fiscal impact on our procurement activities as long as Section 7 applies only to ITBs and RFPs. If it applies to all purchases there would be a significant fiscal impact to all agencies.

Prepared by: Robert J. Link   
Division: General Services

Phone: 465-2250  
Date: 4/25/91

Approved by Commissioner: Milt Keller   
Agency: Administration

Date: 4/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Bill Version: CSSSHB 245(L&C)  
(H) Publish Date: 4/26/91

Revision Date: \_\_\_\_\_  
Title: An Act relating to publications produced by State agencies and to  
Sponsor: Choquette  
Requestor: House, Labor and Commerce

Department Affected: Administration  
BRU: General Services  
Component: Purchasing

COMPONENT SERIAL NO. 

A	0		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
---------	---	---	---	---	---	---

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Section 7 is placed in the general provisions section of the statute. Sponsor indicated it should apply to Invitations to Bid (ITB) and Request for Proposals (RFPs). We foresee no significant fiscal impact on our procurement activities as long as Section 7 applies only to ITBs and RFPs. If it applies to all purchases there would be a significant fiscal impact to all agencies.

Prepared by: Robert J. Linn *Robert J. Linn*  
Division: General Services

Phone: 465-2250  
Date: 4/25/91

Approved by Commissioner: Mike Keler *Mike Keler*  
Agency: Administration

Date: 4/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ORIGINAL

STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL

## STANDARD OPERATING PROCEDURE

### IV. OUT-OF-STATE RECRUITMENT

#### A. Purpose

The purpose of this SOP is to provide department personnel officers with guidelines for requesting out-of-state recruitment and with procedures of the Division of Personnel in approving and processing these requests. Out-of-state recruitment is reserved for those job classes where sufficient number of interested and qualified Alaskans have not applied after extensive recruitment within the state.

#### B. Scope

This SOP applies to all job classes subject to the merit system of employment.

#### C. Authority

AS 39.25.150(3), Personnel Rules 2 AAC 07.040, 2 AAC 07.045, and 2 AAC 07.085(b).

#### D. Criteria

Out-of-state recruitment requests must be approved by the director of the Division of Personnel. The following criteria must be satisfied prior to the approval of an out-of-state recruitment request:

1. There must have been a recent in-state recruitment period of at least 30 days.
2. In-state advertising must have been conducted in major population areas and in the location of a specific vacancy.
3. In-state recruiting resulted in an insufficient eligible list.
4. Other viable means of filling the position must have been explored such as using a related eligible list, making a provisional appointment or subfilling the position.

#### E. Procedure

##### 1. Request

The department personnel officer is responsible for requesting to open recruitment out-of-state by submitting Form 02-225, Request for Recruitment, (Addendum A). All

STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL

## STANDARD OPERATING PROCEDURE

portions of this form must be completed. The justification portion must provide sufficient information to demonstrate the above criteria have been met. Copies of worked eligible lists or a courtesy list must be attached to show that the existing list is insufficient.

Portions of the Request for Recruitment requiring statements regarding related lists, subfills and any other methods considered in filling the vacancy and why the Alaskan workforce cannot supply adequate candidates for this job class must be completed.

### 2. Approval

With the material provided in the Request for Recruitment form, the supervisor of the Public Services Unit prepares a memorandum to the director, Division of Personnel, requesting approval to recruit outside Alaska.

No department has the authority to recruit out-of-state for any classified service position. This authority is never delegated to operating departments.

Any denied request is returned to the department with a memorandum of explanation.

Approved requests proceed at the earliest possible time.

Approval by the director may be accompanied by a limited, specific timeframe for completing the out-of-state recruitment effort. These timeframes are usually from 60 to 90 days.

### 3. Recruitment

Out-of-state recruitment is launched after the preparation of recruitment material is completed.

#### a. Public notice

Required public notice of open recruitment is accomplished through recruitment bulletin mail out. A bulletin is drafted by the Public Services Unit and submitted to the requesting department for approval prior to dissemination.

Out-of-State Recruitment

STATE OF ALASKA  
DEPARTMENT OF ADMINISTRATION  
DIVISION OF PERSONNEL

**STANDARD OPERATING PROCEDURE**

b. Advertising

Additional in-state advertising is placed as requested on recruitment request form or in discussions with Public Services Unit staff. Out-of-state advertising is placed with Thompson Recruitment in Seattle. This agency provides potential advertising approaches, costs estimates and suggestions for any direct mail approaches. The requesting department is charged for these services.

When requested by departments, the Public Services Unit will place advertising with publications directly.

Final orders are placed only with concurrence of requesting department.

Out-of-State Recruitment

**ADDENDUM A**

**REQUEST FOR RECRUITMENT**

JOB TITLE	CLASS CODE
-----------	------------

(Complete a separate request for each Job Class or Job Class Series)

DEPARTMENT	SIGNATURE OR PERSONNEL OR CERTIFYING OFFICER	DATE
ACCOUNT CODE TO BE CHARGED FOR ADVERTISING		

**A. Action Requested**

- Issue Recruitment Bulletins     
  Open Recruitment for Closed Job Class (Explain in B-1, B-2, B-3)     
  Open Recruitment Out-Of-State (Explain in B-4, B-5)
- Affirmative Action Recruitment (Attach EEO Report with copy of worked eligible list)     
  Other \_\_\_\_\_

Length of Recruitment Period (Days):   
 15   
 30   
 Other \_\_\_\_\_   
 Continuous  
 (NOTE: 15 days public notice is required. Application processing may take 4-6 weeks.)

Type of Advertising:   
 Newspaper   
 Trade Journal   
 Radio/TV   
 Individual Mailing  
 Media (list media names and/or locations below):

SPECIAL ADVERTISING CONSIDERATIONS OR LIMITS

**B. Justification (Use reverse or attachments for continuation of narrative)**

1. Have you worked the relevant eligible list recently?
  - Yes, copies attached.
  - Yes, list # \_\_\_\_\_ dated \_\_\_\_\_
  - No, explain \_\_\_\_\_

---

2. Is the current eligible list adequate?   
  Yes   
  No, explain \_\_\_\_\_

---

3. If this is a flexibly staffed position, have you considered all levels of the class series?
  - Yes   
  No, explain \_\_\_\_\_
 Have you considered a parallel or related class?   
  Yes   
  No, explain \_\_\_\_\_

---

4. What recruitment efforts have already been made?

---

5. For out-of-state requests, explain why available Alaskans are unsuitable.

**C. Position(s) are:**   
 New   
 Vacant Now   
 Anticipated Vacancy(ies)

JOB CLASS TITLE	CLASS CODE	SALARY RANGE	BAND	PCS OR NON-PCS, 1-3	LOCATION	SEASONAL		PARTTIME		FLEETS		ISSUED DATE
						YES	NO	YES	NO	YES	NO	

Briefly describe the vacant position(s) and specific skills being sought. Use the reverse of this form or attachments if necessary.

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

BOX C-0201  
JUNEAU, ALASKA 99811-0201

(907) 465-4430

APRIL 11, 1991

USE THIS SPACE TO CORRECT  
DATA ON THE LEFT AND  
RETURN CORRECTIONS TO US

RECENTLY WE RECEIVED AN APPLICATION FROM YOU FOR THE FOLLOWING  
POSITIONS:

CLASS NOT INDICATED

CLASSCODE NOCLS

THANK YOU FOR YOUR INTEREST IN EMPLOYMENT WITH THE STATE OF ALASKA. IT IS STATE POLICY, HOWEVER, THAT RESIDENTS OF ALASKA ARE GIVEN EMPLOYMENT PREFERENCE IN ALL APPOINTMENTS TO THE CLASSIFIED SERVICE. THERE ARE USUALLY SUFFICIENT NUMBERS OF ALASKAN RESIDENTS AVAILABLE FOR THE STATE'S JOB CLASSES EXCEPT FOR A FEW CLASSES WHICH REQUIRE HIGHLY SPECIALIZED TECHNICAL OR PROFESSIONAL EXPERTISE.

I REGRET THAT I CANNOT BE MORE ENCOURAGING, BUT SINCE THE NUMBER OF APPLICATIONS FROM RESIDENTS NORMALLY EXCEEDS OUR CURRENT AND ANTICIPATED NEEDS, YOUR APPLICATION IS BEING RETURNED TO YOU.

ENCLOSURE: APPLICATION

TAM

L200

April 16, 1991

1~

Dear 2~

Thank you for your recent inquiry concerning employment opportunities with the State of Alaska.

Recruitment for most positions with the State is limited to Alaskan residents, that is, those persons who are currently domiciled in Alaska. Exceptions include certain positions which require a highly specialized academic, administrative, or technical background. Currently, we are accepting out-of-state applications for the job classes listed below. If you are interested and feel you are qualified for any of these job classes, please contact us and we will be happy to send you recruitment bulletins and application forms.

Aggricultural Inspector I,II	Medical Officer
Analyst Programmer II-V	Mental Health Clinician II
Ass't Port Captain	Nurse I,II,III,IV
Ass't Port Engineer	Physical Therapist
Biometrician I,II	Program Nurse Consultant
Chemist III,IV,V	Public Health Medical Specialist
Criminalist III	Public Health Nurse I,II,III
Economist II (2-28-91)	Radiological Physicist
Environmental Engineer III	Records Analyst II
Fisheries Scientist	Regional Audiologist
Health Practioner I	Social Worker III
Industrial Hygienist I	Vocational Rehabilitation
Insurance Pinancial ExaminerI	Counselor I,II,III
Latent Piarprint Examiner I	
Librarian I	

If you are planning to come to Alaska in the near future I encourage you to come by the office where we would be pleased to assist you in your job search. The competition for jobs is high, but potential opportunity for public service is personally rewarding.

We appreciate your interest in employment with the State of Alaska.

Sincerely,

Leonard John  
Public Service Unit

**MEMORANDUM**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

State of Alaska

TO: Carol Wilson

DATE: April 5, 1991

FILE:

THRU: T.E. Smith *T.E. Smith*

TELEPHONE NO:

FROM: G.M. Laird *G.M. Laird*

SUBJECT: House Bill 245

From a publications and printing aspect, HB 245 is a good attempt to stimulate Alaskan businesses in this industry. However, I must draw your attention to the need for modifying language in the bill. In effect, the bill includes maps with all other publications because the wording does not specifically exclude maps. An exception is needed. The situation presented in the bill would preclude publication of large format maps since no state agency or in-state print shop could publish an E-scale map of Alaska in one piece, even if doing so would save the state thousands of dollars (see enclosure E-scale map 88-1).

Because of the size of our state, large geographic areas of study are common. The maps displaying these areas must also be large for the following reasons:

1. Scale reduction would require the omission of essential information.
2. A single sheet is easier to use. It provides space for information necessary to read and interpret the map, such as the legend, cross sections, graphics, tables, and text.
3. Large maps printed in sections and spliced together will not stay together whether taped or pinned to the wall. They are rarely registered correctly, usually overlap, and the missing information is confusing.
4. A single map split into several smaller maps is always much more expensive to produce. This increased cost is due to multiple press set-ups, overlap of materials, and hours of duplicated effort in preparation.

A map recently published by this agency (see enclosed PR 100) shows detailed geologic mapping just south of the ANWAR Coastal Plain. A scale reduction would completely lose rock units that are important to understanding formations with potential oil reservoirs to the north. As HB 245 is now written, the map would have to be produced in a minimum of four sheets and even then only one Alaskan printer could bid. The largest image area that can be printed in-state is 26x38 inches. Most print shops in the state would need to divide the map into at least eight pieces. Registration would be a nightmare, and assembling the map would be a major chore. Printing costs alone for this job would have been about \$4,000 more than the single sheet method-- double what the map actually cost to print. Preparation time would have been significantly longer and supplies would have cost more.

In summary, I request that Sec. 15 AS 44.99.200 and Sec. 16 AS 44.99.230 be changed to specifically exclude large maps from mandatory use of in-state printing facilities. This exclusion is justified because of the size of the areas that must be portrayed and the complexity of the essential information.

This agency has always used Alaska printers whenever possible. Large maps however, are printed outside for the above stated reasons. To my knowledge, only three commercial printers in the Lower 48 are interested in or capable of printing small quantities of large maps like PR 100.

Furthermore, it is in Alaska's best interest to continue to utilize these print shops. As computer graphics and Geographic Information Systems (GIS) advance, more large maps will be generated. Since no in-state private shops are available to print them, the options would be very limited. The state would need to spend millions of dollars on a large-format print shop, ask for assistance from the federal government, or cut-up all the maps and put them into a book like a taxi directory.

enclosures: Scientific Series 88-1 (E-scale)  
Professional Report 100, scale 1:63,360 (1 in. = 1 mi)



*Advancing excellence  
in public service . . .*

American Society for Public Administration

# Code of Ethics and Implementation Guidelines

1120 G Street, N.W. Suite 500  
Washington DC 20005  
202-393-7878  
FAX 202-638-4952

**2] Demonstrate the highest standards of personal integrity, truthfulness, honesty and fortitude in all our public activities in order to inspire public confidence and trust in public institutions.**

Perceptions of others are critical to the reputation of an individual or a public agency. Nothing is more important to public administrators than the public's opinion about their honesty, truthfulness, and personal integrity. It overshadows competence as the premier value sought by citizens in their public officials and employees. Any individual or collective compromise with respect to these character traits can damage the ability of an agency to perform its tasks or accomplish its mission. The reputation of the administrator may be tarnished. Effectiveness may be impaired. A career or careers may be destroyed. The best insurance against loss of public confidence is adherence to the highest standards of honesty, truthfulness and fortitude.

Public administrators are obliged to develop civic virtues because of the public responsibilities they have sought and obtained. Respect for the truth, for fairly dealing with others, for sensitivity to rights and responsibilities of citizens, and for the public good must be generated and carefully nurtured and matured.

If you are responsible for the performance of others, share with them the reasons for the importance of integrity. Hold them to high ethical standards and teach them the moral as well as the financial responsibility for public funds under their care.

If you are responsible only for your own performance, do not compromise your honesty and integrity for advancement, honors, or personal gain. Be discreet, respectful of proper authority and your appointed or elected superiors, sensitive to the expectations and the values of the public you serve. Practice the golden rule: doing to and for others what you would have done to and for you in similar circumstances. Be modest about your talents, letting your work speak for you. Be generous in your praise of the good work of your fellow workers. Guard the public purse as if it were your own.

Whether you are an official or an employee, by your own example give testimony to your regard for the rights of others. Acknowledge their legitimate responsibilities, and don't trespass upon them. Concede gracefully, quickly, and publicly when you have erred. Be fair and sensitive to those who have not fared well in their dealings with your agency and its applications of the law, regulations, or administrative procedures.

**2] Serve in such a way that we do not realize undue personal gain from the performance of our official duties.**

The only gains you should seek from public employment are salaries, fringe benefits, respect, and recognition for your

work. Your personal gains may also include the pleasure of doing a good job, helping the public, and achieving your career goals. No elected or appointed public servant should borrow or accept gifts from staff of any corporation which buys services from, or sells to, or is regulated by, his or her governmental agency. If your work brings you in frequent contact with contractors supplying the government, be sure you pay for your own expenses. Public property, funds, or power should never be directed toward personal or political gain. Make it clear by your own actions that you will not tolerate any use of public funds to benefit yourself, your family, or your friends.

**2] Avoid any interest or activity which is in conflict with the conduct of our official duties.**

Public employees should not undertake any task which is in conflict or could be viewed as in conflict with job responsibilities.

This general statement addresses a fundamental principle that public employees are trustees for all the people. This means that the people have a right to expect public employees to act as surrogates for the entire people with fairness toward all the people and not a few or a limited group.

Actions or inactions which conflict with, injure, or destroy this foundation of trust between the people and their surrogates must be avoided.

Ironically, experience indicates that conflict of interest and corruption often arise not from an external affront, but as a result of interaction between persons who know each other very well. To strengthen resistance to conflict of interest, public employees should avoid frequent social contact with persons who come under their regulation or persons who wish to sell products or services to their agency or institution.

Agencies with inspectional or investigative responsibilities have a special obligation to reduce vulnerability to conflict of interest. Periodic staff rotation may be helpful to these agencies.

Individuals holding a position recognized by law or regulation as an unclassified or political appointment (e.g. Cabinet level and Governor's appointment positions) have a special obligation to behave in ways which do not suggest that official acts are driven primarily or only by partisan political concerns.

Public employees should remember that despite whatever preventive steps they might take, situations which hold the possibility for conflict of interest will always emerge. Consequently, the awareness of the potentiality of conflict of interest is important. Public employees, particularly professors in public administration, have a serious obligation to periodically stimulate discussion on conflicts of interest within organizations, schools, and professional associations.

The ASPA logo consists of the letters "ASPA" in a bold, serif font, positioned above three horizontal black bars of equal length.

Advancing excellence  
in public service . . .

**2 Support, implement, and promote merit employment and programs of affirmative action to assure equal employment opportunity by our recruitment, selection, and advancement of qualified persons from all elements of society.**

Oppose any discrimination because of race, color, religion, sex, national origin, political affiliation, physical handicaps, age, or marital status, in all aspects of personnel policy. Likewise, a person's life-style should not be the occasion for discrimination if it bears no reasonable relation to his or her ability to perform required tasks.

Review employment and personnel operations and statistics to identify the impact of organizational practices on "protected groups." Performance standards should apply equally to all workers. In the event of cutbacks of staff, managers should employ fair criteria for selection of employees for separation, and humane strategies for administering the program.

Any kind of sexual, racial, or religious harassment should not be allowed. Appropriate channels should be provided for harassed persons to state their problems to objective officials. In the event of a proven offense, appropriate action should be taken.

**2 Eliminate all forms of illegal discrimination, fraud, and mismanagement of public funds, and support colleagues if they are in difficulty because of responsible efforts to correct such discrimination, fraud, mismanagement or abuse.**

If you are a supervisor, you should not only be alert that no illegal action issues from or is sponsored by your immediate office, you should inform your subordinates at regular intervals that you will tolerate no illegalities in their offices and discuss the reasons for the position with them. Public employees who have good reason to suspect illegal action in any public agency should seek assistance in how to channel information regarding the matter to appropriate authorities.

All public servants should support authorized investigative agencies, the General Accounting Office in the federal government, auditors in the state or large local governments, C.P.A. firms or federal or state auditors in many other cases. We should support the concept of independent auditors reporting to committees independent of management. Good fiscal and management controls and inspections are important protections for supervisors, staff, and the public interest.

In both government and business, inadequate equipment, software, procedures, supervision, and poor security controls make possible both intentional and unintentional misconduct. Managers have an ethical obligation to seek adequate equipment, software, procedures, and controls to reduce the agency's vulnerability to misconduct. When an agency

dispenses exemptions from regulations, or abatement of taxes or fees, managers should assure periodic investigatory checks.

The "whistle blower" who appears to his/her immediate superiors to be disloyal, may actually be loyal to the higher interests of the public. If so, the whistle blower deserves support. Local, state, and federal governments should establish effective dissent channels to which whistle blowers may report their concerns without fear of identification.

Supervisors should inform their staff that constructive criticism may be brought to them without reprisal, or may be carried to an ombudsman or other designated official. As a last resort, public employees have a right to make public their criticism but it is the personal and professional responsibility of the critic to advance only well-founded criticism.

**2 Serve the public with respect, concern, courtesy, and responsiveness, recognizing that service to the public is beyond service to oneself.**

Be sure your answers to questions on public policy are complete, understandable, and true. Try to develop in your staff a goal of courteous conduct with citizens. Devise a simple system to ensure that your staff gives helpful and pleasant service to the public. Wherever possible, show citizens how to avoid mistakes in their relations with government.

Each citizen's questions should be answered as thoughtfully and as fully as possible. If you or your staff do not know the answer to a question, an effort should be made to get an answer or to help the citizen make direct contact with the appropriate office.

Part of servicing the public responsively is to encourage citizen cooperation and to involve civic groups. Administrators have an ethical responsibility to bring citizens into work with the government as far as practical, both to secure citizen support of government, and for the economies or increased effectiveness which will result. Respect the right of the public (through the media) to know what is going on in your agency even though you know queries may be raised for partisan or other non-public purposes.

**2 Strive for personal professional excellence and encourage the professional development of our associates and those seeking to enter the field of public administration.**

Staff members, throughout their career, should be encouraged to participate in professional activities and associations such as ASPA. They should also be reminded of the importance of doing a good job and their responsibility to improve the public service.

Administrators should make time to meet with students

periodically and to provide a bridge between classroom studies and the realities of public jobs. Administrators should also lend their support to well planned internship programs.

**3 Approach our organization and operational duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion.**

Americans expect government to be compassionate, well organized, and operating within the law. Public employees should understand the purpose of their agency and the role they play in achieving that purpose. Dedication and creativity of staff members will flow from a sense of purpose.

ASPA members should strive to create a work environment which supports positive and constructive attitudes among workers at all levels. This open environment should permit employees to comment on work activities without fear of reprisal. In addition, managers can strengthen this open environment by establishing procedures ensuring thoughtful and objective review of employee concerns.

**3 Respect and protect the privileged information to which we have access in the course of official duties.**

Much information in public offices is privileged for reasons of national security, or because of laws or ordinances. If you talk with colleagues about privileged matters, be sure they need the information and you enjoin them to secrecy. If the work is important enough to be classified, learn and follow the rules set by the security agency. Special care must be taken to secure access to confidential information stored on computers. Sometimes information needs to be withheld from the individual citizen or general public to prevent disturbances of the peace. It should be withheld only if there is a possibility of dangerous or illegal or unprofessional consequences of releasing information.

Where other governmental agencies have a legitimate public service need for information possessed by an agency, do all you can to cooperate, within the limits of statute law, administrative regulations, and promises made to those who furnish the information.

**3 Exercise whatever discretionary authority we have under law to promote the public interest.**

If your work involved discretionary decisions, you should first secure policy guidelines from your supervisor. You should then make sure that all staff who "need to know" are informed of these policies and have an opportunity to discuss the means of putting them into effect.

There are occasions when a law is unenforceable or has become obsolete; in such cases you should recommend to your superior or to the legislative body that the law be modernized. If an obsolete law remains in effect, the

manager or highest official should determine if the law is or is not to be enforced, after consultation with the agency's legal advisor.

There are occasions where a lower level employee must be given considerable discretion. Try to see that such employees are adequately trained for their difficult tasks.

Tell yourself and your staff quite frequently that every decision creates a precedent, so the first decision on a point should be ethically sound; this is the best protection for staff as well as for the public.

**3 Accept as a personal duty the responsibility to keep up to date on emerging issues and to administer the public's business with professional competence, fairness, impartiality, efficiency, and effectiveness.**

Administrators should attend professional meetings, read books and periodicals related to their field, and talk with specialists. The goal is to keep informed about the present and future issues and problems in their professional field and organization in order to take advantage of opportunities and avoid problems.

Serious mistakes in public administration have been made by people who did their jobs conscientiously but failed to look ahead for emerging problems and issues. A long list of washed out dams, fatal mine accidents, fires in poorly inspected buildings, inadequate computer systems, or economic disasters are results of not looking ahead. ASPA members should be catalysts to stimulate discussion and reflection about improving efficiency and effectiveness of public services.

**3 Respect, support, study, and when necessary, work to improve federal and state constitutions and other laws which define the relationships among public agencies, employees, clients, and all citizens.**

Familiarize yourself with principles of American constitutional government. As a citizen, work for legislation which is in the public interest.

Teach constitutional principles of equality and fairness.

Strive for clear division of functions between different levels of government, between different bureaus or departments, and between government and its citizens. Cooperate as far as possible with all agencies of government, especially those with overlapping responsibilities. Do not let parochial agency or institutional loyalty drown out considerations under public policy.

ASPA's *Code of Ethics and Implementation Guidelines* was adopted by ASPA National Council March 27, 1984. The original *Code of Ethics* was approved by ASPA's National Council April 8, 1984.



State of Alaska  
**Ombudsman**

Duncan C. Fowler

Reply to:

- P.O. Box 102636  
Anchorage, AK 99510-2636  
(907) 277-8848  
(800) 478-2624
- P.O. Box WO  
Juneau, AK 99811-3000  
(907) 465-4970  
(800) 478-4970
- P.O. Box 74358  
Fairbanks, AK 99707-4358  
(907) 452-4001  
(800) 478-3257

April 16, 1991

Representative David Finklestein, Chairman  
House Labor and Commerce Committee  
Alaska State Legislature  
Post Office Box V  
Juneau, Alaska 99811-3100

RE: HB 245

Dear Representative Finklestein:

I have recently reviewed HB 245 which seeks to encourage the use of local products, services and personnel by state agencies. This office supports the thrust of this bill. However, I do ask that an amendment be considered to make its provisions consistent with the Alaska Ombudsman Act (AS 24.55).

I propose that you consider amending HB 245 by inserting the following language on page 6, line 6, after "senate:" "the ombudsman for the Office of the Ombudsman,". This amendment would allow the ombudsman, rather than the director of legislative affairs, to make the determination required by the act that solicitation outside the state for a hire is necessary. I note that this amendment would still require the ombudsman to make a written determination that, after a good faith effort, he or she has been unable to find a qualified individual in state.

The Office of the Ombudsman was created as an independent agency and located in the legislative branch of government. This was done intentionally to ensure its independence from political pressures. AS 24.55.070 gives the ombudsman authority to appoint assistants in the exempt service. That section also specifically exempts agency staff from legislative employment policies under AS 24.10 or AS 24.20. Consistent with this legislative effort to maintain the independence of the Office of the Ombudsman, AS 24.55.275 also exempts the office from the provisions of the procurement act as it relates to issuing contracts for investigations carried out under the Ombudsman Act.

Having ombudsman hiring decisions reviewed by Legislative Affairs is particularly troublesome in that the ombudsman does have authority to investigate the administrative acts of the Legislative Affairs Agency and its executive director. Giving an agency subject to ombudsman review the ability to restrict ombudsman hiring might well damage the independence of this office. If a reviewing body is thought necessary for the ombudsman, I would request that you consider the Legislative Council or Legislative Budget and Audit Committee as alternatives to the Legislative Affairs agency.

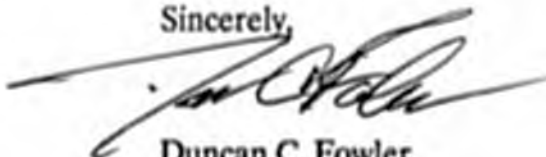
April 16, 1991

You may find it of significance that since this office was opened in 1975, we have never advertised positions outside the state nor hired a non-resident. I normally receive 100-200 applications for each professional vacancy. I have never found a lack of Alaska talent during our recruiting efforts.

Ombudsman hiring aside, I was pleased to see that section 11 of the bill corrects a problem for in-state printing companies. I suspect it was unintentional that AS 44.99.200 *requires* printing of state publications to be done by state government print shops. It does cause an economic hardship for Alaska business men and women who are printers. The proposed wording for AS 44.99.200 corrects the problem and sets a state policy which is more fair for the state's small business community.

Please let me know if there are any questions I can address regarding this bill, and thank you for your consideration.

Sincerely,



Duncan C. Fowler  
Ombudsman

DCF:pjc

**Amendment Number Four**

**to SSHB 245**

**page 6, line 6, after "senate"**

**insert "the ombudsman for the Office of the Ombudsman,"**

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 Dabe Choquette



#1

Amendment to Blank CS for SSHB 245

Offered by Representative Choquette

page 5; line 21; following position:  
insert text from SSHB 245, page 6 lines 2-7; beginning w/ "in this"  
REINSERT  
at line 24 of CS;  
lines 12-14, of page 6, of the SS.  
Page 5, lines 26

delete "means"

insert "includes"

and following "SERVICE" insert

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



A M E N D M E N T

OFFERED IN THE HOUSE  
TO: SSHB 245

BY REPRESENTATIVE CHOQUETTE

Page 3, lines 11 - 13:

#2  
Delete "In addition, the procurement officer shall provide the notice to every contractor located in the state who is on the list established under AS 36.30.050(a) and who provides the supplies, services, or professional services that the agency is procuring."

Page 4, line 22, through page 5, line 5:

Delete all material and insert:

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

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

Amendment Number Four

#3

to SSHB 245

page 6, line 6, after "senate"

insert "the ombudsman for the Office of the Ombudsman,"

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811  
(907) 465-3867 or 465-2450  
FAX (907) 465-2029

Deliveries to: 240 Main Street  
Court Plaza, Room 500  
Mail Stop 3101

### MEMORANDUM

March 15, 1991

**SUBJECT:** Constitutionality of responsiveness criteria (W.O. 7LS0819/G)

**TO:** Representative Dave Choquette  
Attn: Joan

**FROM:** Theresa L. Bannister <sup>TB</sup>  
Legislative Counsel

This memo accompanies the most recent draft of your bill addressing the state's procurement of goods and services.

Please be aware that the responsiveness criteria in sec. 12 of the bill raises a constitutional issue. Section 12 could be challenged as violating the privileges and immunities clause of the U.S. Constitution to the extent that the section discriminates against natural persons who are nonresidents.

The section attempts to ~~motivate~~ bidders and offerors to use residents over nonresidents by ~~tying~~ reasonable efforts to use state residents to the basic bidding qualification of responsiveness. ~~This is significant because if a bidder or offeror is not responsive, the bidder or offeror cannot obtain the contract. The amount of the bid or offer would not be considered.~~

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 "reasonable" efforts falls within this leeway. On the one hand, it does not establish a specific preference. On the other hand, it could have a very broad application based on how the procurement officer applies it. ~~The potential for broad, discretionary application may outweigh the state's proprietary interest.~~

In conclusion, sec. 12 is subject to challenge based on the privileges and immunities clause of the U.S. Constitution, but the outcome of the challenge is unclear. If you would like further research done on this issue, please advise.

Regarding secs. 4 and 7, since the term "subcontractor" now includes a "manufacturer", do you want the manufacturer to have an Alaska business license even if the goods are produced out of state? That is required by this draft.

If I may be of further assistance, please advise.

TLB:lmb  
91-079.lmb

Enclosure

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811  
(907) 465-3867 or 465-2450  
FAX (907) 465-2029

Deliveries to: 240 Main Street  
Court Plaza, Room 500  
Mail Stop 3101

### MEMORANDUM

April 23, 1991

**SUBJECT:** Constitutional issues in proposed CSSB 245 (L&C)

**TO:** Representative David Finkelstein, Chair  
House Labor and Commerce Committee  
Attn: Catherine

**FROM:** Theresa L. Bannister *TB*  
Legislative Counsel

This memo accompanies the draft that you requested for ~~CS~~ ~~SB~~ 245 (L&C), a bill relating to state procurement. Please be aware that two of the provisions in the draft raise constitutional issues.

1. **FIRST PROVISION.** The first is the change made by this CS to sec. 4 of the bill. The change is the addition of "out-of-state" before "geographical" in the definition of "administrative costs".<sup>1</sup> The change requires different treatment for in-state bidders and out-of-state bidders to the extent it limits consideration of administrative costs to an out-of-state geographical location.

---

<sup>1</sup>The section reads as follows:

• Sec. 4. AS 36.30.150(a) is amended to read:

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

This provision could be challenged as violating the privileges and immunities clause of the U.S. Constitution<sup>2/</sup> to the extent that the section discriminates against natural persons who are nonresidents. Although the state is given certain leeway in preferring its own, this leeway is not unlimited. The question boils down to whether this provision falls within this leeway. This provision may significantly affect out-of-state bidders because it may significantly increase their bids. This change would result in an increased preference for residents. There does not appear to be a reason other than economic protectionism for only considering these costs when the bidder or the bidder's supplier is located outside the state. A bid from an in-state bidder or the use of an in-state supplier may also have significant administrative costs if the bidder or supplier is located in a remote part of the state. The outcome of a challenge on this point is unclear.

2. SECOND PROVISION. The second problem is contained in sec. 9. This section in the proposed CS also raises a constitutional privileges and immunities issue.<sup>3/</sup> Section 9 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.

As stated earlier, 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 the evaluation of proposals leaves more discretion to the agency. The potential for a broad, discretionary application that would screen out reasons who don't use state products and service (or have a good reason for not doing so)

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<sup>2/</sup>U.S. Constitution art. IV, sec. 2, cl.1.

<sup>3/</sup>For your information, the version of sec. 9 in SSHB 245 also raises a privileges and immunities issue. The problem with the version in the proposed CS is much less severe than that in SSHB 245.

Representative David Finkelstein

April 23, 1991

Page 3

may outweigh the state's proprietary interest. The outcome of a challenge on this point is unclear.

If I can be of further assistance, please advise.

TLB:pl:gc  
91-291.plm

Enclosure

## DIFFERENCES BETWEEN HB 245 AND SS FOR HB 245

The Sponsor Substitute reflects attempts to make the bill more effective. The changes are a result of my conversations with various government agencies and businesses affected by the provisions of the bill. The changes are as follows:

1. It removes the requirement that each state agency devise a master list of Alaskan businesses, manufacturers, providers of services, and in turn leaves this requirement in the hands of the Department of Administration.
2. It deletes Section 9 of the original bill which required contracts over \$25,000 to be awarded through the competitive bidding process. After discussion with government agencies, it was determined best to leave bids between \$25,000 and \$100,000 subject to the limited procurement bidding process, because Alaskan firms are generally awarded these bids anyway.
3. It removes the definition of subcontractor and leaves it for agency determination.
4. It removes the requirement that all state publications be published in facilities located in the state and adds the exception that this be done only when practicable. This change responds to the needs of government agencies whose publications generally cannot be produced in-state. Such publications include those written in foreign languages, and the production of large-scale Alaska maps.

7-LS0819S ✓  
Bannister  
4/24/91

**CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 245 (L&C)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**SEVENTEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsors): 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 36.30.115(a) is amended to read:

21 (a) Within three [FIVE] working days after the identification of the apparent low bidder,  
22 the apparent low bidder shall submit a list of the subcontractors the bidder proposes to use in the  
23 performance of the contract. The list must include the name and location of the place of business  
24 for each subcontractor and evidence of the subcontractor's valid Alaska business license. A  
25 bidder for a construction contract shall also submit evidence of [EACH SUBCONTRACTOR'S]  
26 registration under AS 08.18 for each subcontractor that is required to be registered under  
27 AS 08.18. If a subcontractor on the list did not have a valid Alaska business license and, if  
28 required by AS 08.18, a valid certificate of registration under AS 08.18 at the time the bid was  
29 opened, the bidder may not use the subcontractor in the performance of the contract [,] and shall  
30 replace the subcontractor with a subcontractor who had a valid Alaska business license and, if  
31 required by AS 08.18, a valid certificate of registration under AS 08.18 at the time the bid was

1 opened.

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

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

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

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

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

18 \* Sec. 4. AS 36.30.150(a) is amended to read:

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

31 \* Sec. 5. AS 36.30.210(a) is amended to read:

1 (a) A request for competitive sealed proposals must contain the date, time, and place for  
2 delivering proposals, a specific description of the supplies, construction, services, or professional  
3 services to be provided under the contract, and the terms under which the supplies, construction,  
4 services, or professional services are to be provided. The request must require the offeror, no  
5 later than five working days after the proposal that is the most advantageous to the state is  
6 identified, to list subcontractors the offeror proposes to use in the performance of the contract.  
7 The list must include the name and location of the place of business for each subcontractor, the  
8 work to be subcontracted to each subcontractor, and evidence of the subcontractor's valid Alaska  
9 business license. If a subcontractor on the list did not have a valid Alaska business license  
10 at the time the proposal was opened, the offeror may not use the subcontractor in the  
11 performance of the contract and shall replace the subcontractor with a subcontractor who  
12 had a valid Alaska business license at the time the proposal was opened. An offeror for a  
13 construction contract shall also submit evidence of the offeror's registration under AS 08.18 and  
14 evidence of registration for each listed subcontractor who is required to be registered under  
15 AS 08.18.

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

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

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

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

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

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

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

1 (b) If a proposed procurement is too large to be performed by Alaska bidders or offerors,  
2 and if the procurement officer determines that Alaska bidders or offerors generally would be  
3 capable of performing the procurement if the procurement were reduced in size or otherwise  
4 restructured, the agency that is proposing the procurement shall divide or otherwise structure the  
5 procurement so that it can be performed by Alaska bidders or offerors.

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

8 \* Sec. 9. AS 36.30 is amended by adding a new section to read:

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

16 \* Sec. 10. AS 39.25 is amended by adding a new section to read:

17 Sec. 39.25 165. OUT-OF-STATE SOLICITATION OF EMPLOYEES. (a) Except as  
18 provided in (b) of this section, a state agency, including the division of personnel, may not solicit  
19 outside the state for individuals to fill a position as a state employee unless the personnel officer  
20 determines in writing that the agency has actively solicited in good faith in the state during the  
21 four-week period that followed the date when the agency began soliciting for the position and  
22 has been unable to find sufficient individuals qualified for the position. In this subsection,  
23 "personnel officer" means the commissioner of administration for a state agency of the executive  
24 branch, the speaker of the house of representatives for the members, committees, and leadership  
25 of the house of representatives, the president of the senate for the members, committees, and  
26 leadership of the senate, the ombudsman for the office of the ombudsman, and the executive  
27 director of the Legislative Affairs Agency for the other entities of the legislative branch.

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

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

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

4 (c) In this section,

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

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

10 (3) "state agency" means

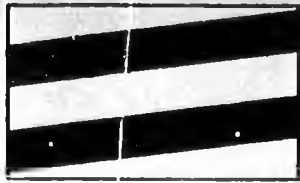
11 (A) a department, institution, board, commission, division, authority,  
12 public corporation, or other administrative unit of the executive branch;

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

16 \* Sec. 11. AS 44.99.200 is repealed and reenacted to read:

17 Sec. 44.99.200. PRODUCTION OF PUBLICATIONS. The publications of a state  
18 agency, including the University of Alaska, shall be produced at a facility located in the state  
19 when practicable. The publications shall be designed to promote simplicity, low cost, and  
20 maximum use of printing facilities located in the state.

21 \* Sec. 12. AS 44.99.210 and 44.99.230 are repealed.



# LOCAL HIRE



*Staunch supporters still strive to mandate and enforce an Alaskan hiring preference.*



*Laborers Local 341's Andrew Piekarski calls the problem of non-resident workers competing for Alaska jobs "pretty frustrating."*

SEE PAGE 4 (\*) FOR  
DISC. OF PROBLEMS

By Jeffrey Richardson

**W**hat makes good political fodder, behaves like a legal quagmire and confounds simple analysis? Local hire in Alaska. It's an issue that in many guises persists in haunting public policy forums.

Local hire, also known as resident hire, or Alaska hire, is kind of a coat of many colors, a patchwork of interrelated concerns, intentions and frustrations predating statehood. Alaska's sometimes ill-fated efforts to create a resident hiring preference, with the anticipated effect of increasing wage retention and prosperity, can be traced to the broader struggle for economic self-determination and independence from federal and absentee commercial interests that has long characterized the state's history.

Getting a statistical grip on the nature and magnitude of the local hire problem is easier than it used to be, but that isn't saying much. It's a many-faceted issue; research on some aspects is good, but in other areas, it is limited or non-existent.

The state's Department of Labor reports that in 1988, 17.3 percent

of Alaska workers - 50,719 individuals - were non-residents, an increase of 5,500 workers over the 1987 level. Labor analysts also know that in 1988 Alaska's rate of interstate unemployment insurance benefits mailed to out-of-state recipients was four times the national average. At 23.5 percent, Alaska's payment of unemployment to non-residents was the highest in the nation.

By any measure, the seafood industry is the most prominent employer of non-resident Alaskans. More than 15,000 non-resident workers - nearly half the non-residents in the state's labor force - exported about \$78.7 million from the Alaskan economy in 1988. Non-resident workers in the oil and gas and the heavy construction sectors took home \$84.3 million in wages that year.

Measuring the state's local hire enforcement efforts should give some idea if state policies are making headway against the intrusion of non-resident workers. But because existing state enforcement of hiring preferences has been so circumscribed by the courts, and because many of the offending companies are based outside the state and don't operate here

during the kind of slump from which the state is just now recovering, enforcement statistics don't shed much light on the story.

Anecdotal data about the local hire issue is statistically suspect but is sometimes easier to come by and does convey some of the deep-seated feelings of Alaskans who have long endured high unemployment rates and a seasonally fluctuating economy.

Andrew Piekarski, president of Laborers Local 341, says of non-resident workers, "It's pretty frustrating. They come, they work, they leave. It's real easy for a contractor in the Lower 48 to pick up workers on substandard wages, \$10 to \$12 an hour. That's a lot of money in right-to-work states like Idaho, Montana. But up here, that doesn't cut it."

Piekarski says non-resident workers aren't paying the high mortgages and other living expenses incurred by resident workers. "We make a good scale, but we haven't had a raise in six years," Piekarski says.

Historically, local hire policy-making and litigation in Alaska traces a long and winding road. A major milestone came in the late 1970s when the U.S. Supreme Court

throw out Alaska's mandate for resident hire in the private sector. That defeat was sufficiently resounding to discourage another try in the private arena, and to this day such an effort likely would be doomed.

"That's a pretty widely held belief," says Randy Carr, deputy director of the state's Division of Labor Standards and Safety. The division has responsibility for enforcing what local hire provisions there are on the books - and there aren't many.

In 1984 a resident preference for publicly funded projects was nixed by the Alaska Supreme Court. The legislature read the opinion carefully and tried again in 1986, enacting a comprehensive statute that carefully followed constitutional parameters.

That law attempted to address a long-standing dilemma of definition in local hire policy-making. One aspect of the issue involves Alaskans and the rest of the world. The other, often overlooked aspect is the hiring disparity between different groups of Alaskans, especially in the Bush. Rural residents have longed complained they have to compete with two kinds of outsiders for jobs in their own communities: those from the Lower 48 and those from Anchorage and Fairbanks.

The 1986 law created hiring preferences for Alaskans in general, as well as for women, minorities and rural residents, and created reporting requirements that allow state analysts to assess when hiring preferences would be triggered. It was baptized by legal fire when the state tried to enforce its provisions at the Red Dog Mine. Enserch Alaska, a development contractor for the mine owner, resisted. In a 3-to-2 decision, the Alaska Supreme Court effectively threw out the rural, minority and female hiring preferences.

"We're darn close," says a determined Dave Donley, an Anchorage legislator who has long monitored local hire issues. His optimism stems from the closeness of the vote, suggesting that lawmakers are getting within range of a constitutionally viable hiring-preference mechanism.

"It's getting immensely better. For the first time we've got the backup data. We're establishing a record," says Donley.

From the standpoint of actual enforcement, what remains of the 1986 law is the statewide hiring preference for Alaskans on projects funded by public monies. Currently, such projects must employ 90 percent



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Alaskans. The actual ratio is re-evaluated every two years according to statutory criteria.

While that provision, too, is under fire in the courts, Carr says, "It's kind of at a standstill." The Labor standards and safety deputy director adds, "We have no tools except public pressure and what we hope would be good common business sense."

Carr says many companies based outside Alaska have established good local hire records when the work is available, realizing they are saving substantial sums by not having to import a qualified work force. Alaska-based companies generally comply with the local hire intention and always have, he adds.

Alaska has not always had a trained work force, but the pipeline era marked the beginning of substantial state investment in training and retraining. Donley says that contractors still claim Alaskans lack credentials, but that "it is just a 'bogey man argument' to justify hiring familiar faces.

"We've spent tens of millions of dollars doing that (training) since the pipeline. We've got plenty of qualified people," Donley says.

**Changing Focus.** Some concerns have been voiced about diminished funding to track the local hire problem in Alaska. Federal constitutional guidelines mandate that research and analysis supporting a finding of economic disadvantage (which typically triggers a hiring preference) be held to a high standard.

The Department of Labor's Eileen

Plate explains that funds for analysis have been cut in the wake of the Enserch decision, but information is still being collected, chiefly because it's useful for other department programs. "We're still maintaining the database," Plate says.

One area not covered by the state's monitoring efforts is local hire preference on federal projects. Alaska Sen. Frank Murkowski secured a congressional measure in 1986 mandating Alaska hire on federal military construction projects in the state. According to a spokesman for Murkowski's office, complaints about violations of the requirement have tapered off and none have been heard recently, at least in Washington, D.C.

But back in Alaska, the story is a little different. Says Donley, "The Murkowski amendment is a great idea that's been dismally enforced."

For several years, the requirement went completely unenforced. Now, one part-time staff person monitors compliance in a venue that includes massive construction projects, recent or ongoing, from Galena to the Aleutian Islands, from Fort Richardson to Fort Wainwright, and the backscatter radar development in the Interior.

"I would expect a part-time person to be insufficient," says Carr, one of the state's local hire enforcers.

Laborers Union President Piekariski agrees with the Carr and Donley assessments. "The big problem on the local hire is that the Murkowski amendment is not working. It's turned out to be a hiring hall for Washington and Oregon. It's gotten worse than it's ever been," he

## Industries Ranked by Percentage of Earnings Paid to Non-residents in Alaska, 1988<sup>1</sup>

Rank	Industry	Resident	Non-resident	Percent of Total
		Earnings, millions of \$	Earnings, millions of \$	
1	Food Processing	\$ 84.0	\$78.7	48.4
2	Fishing, Hunting, Trapping <sup>2</sup>	7.9	3.9	33.4
3	Logging	47.4	18.4	28.0
4	Metal Mining <sup>2</sup>	25.4	7.2	22.0
5	Water Transportation	31.7	6.6	17.3
6	Transportation Equipment	4.9	1.0	17.2
7	Heavy Construction	114.5	23.2	16.8
8	Lumber and Wood Products	14.9	3.0	16.7
9	Services, Automotive Repair	35.0	6.1	14.8
10	Engineering, Accounting, Mgmt.	\$134.0	\$19.3	12.6

Source: Alaska Department of Labor, Research and Analysis

<sup>1</sup> Only industries with more than \$1 million in total earnings are included in this ranking. <sup>2</sup> Includes only non-agricultural wage and salary workers covered by unemployment insurance. Consequently, data provided for this industry may not be representative of the industry as a whole.

says. Piekarski calls the provision a "showpiece with no teeth."

Murkowski replies, "If we are aware of a problem, we'll see that enforcement gets done. We'd push to the limits to see that enforcement gets done."

**Capital Projects Push.** Use of non-residents on state projects could become more prevalent in the near future. The administration of Gov. Walter Hickel is pushing a capital projects budget that is significantly larger than those of recent years. The Hickel administration also has high hopes for major resource developments, such as the gas pipeline and opening the Arctic National Wildlife Refuge to oil drilling.

Such major-scale projects historically have drawn the Outside companies with their cadre of non-resident workers in tow. Is the state ready for this?

Nancy Usera, commissioner of the Alaska Department of Labor, says yes. "What we're looking at here is the creation of stable, permanent jobs in the private sector," she adds. "That's the thrust of the projects the governor is working on. We have to be sure the work force is compatible with jobs

when they become available."

Responding to concerns that a large capital projects agenda will cause some form of economic dislocation - exacerbating employment disparity between male and female members of the work force or between urban and rural workers - Usera says such fears are based on exaggerated assumptions of sudden or abrupt shifts in the labor market.

"It's important to realize this is not going to happen overnight. We do have time to methodically and systematically adjust," Usera says. Rather than disruption, she sees continued economic health and recovery. "Gov. Hickel was elected on a plank of creating jobs for Alaskans, not just snapshot jobs that come and go, but adding stable components to the state's economy."

In terms of strategies, Usera advocates a two-pronged approach to accomplish local hire: persuasion and focused training. She feels it is premature to discuss new legislative mechanisms.

"I think there are other alternatives to mandating good business practices in local hire. It's important to educate employers that hiring locally is beneficial to them. It's a mar-

keting function. You need to establish good will in the community where the project is located. By fostering that kind of cooperation, it's good for everybody, including the company," Usera says.

She acknowledges that skill levels of the work force in some rural areas are a problem, but notes that programs already exist to address deficiencies. "We at the Department of Labor are working to target communities in need of that kind of training," Usera says.

In the meantime, the new commissioner intends to enforce existing local rules to the extent that the state still has the ability to do so. "We're going ahead enforcing the 90 percent rule until we hear differently," Usera concludes.

**Grass-Roots Efforts.** Another person in the business of local hire persuasion is Dave Thompson, the new executive director of Make It Alaskan Inc. The statewide non-profit organization focuses on encouraging state and local governments and private companies to purchase products, supplies and services that are Alaskan in origin.

According to Thompson, in the av-



average state in the union a dollar circulates in its economy 7.8 times. In Alaska, a dollar only turns over 2.1 times before "leaking" away.

"Once the money's gone, needless to say, it doesn't come back. People are in the habit of buying things Outside they can get in Alaska. We try to convince people that goods and services are competitively available in Alaska and that buying locally supports your neighbors. That is the obvious answer to local hire," Thompson says. "2.1 is not good enough; if we could just double that number."

While the Alaska Department of

Commerce and Economic Development certifies Alaskan-made products, Make It Alaskan Inc. also certifies services provided by Alaskans. The state and private certification programs work together.

Thompson says a key goal of his organization's program is to tighten up the definition of what is "Alaskan" and to ensure that the state government's own procurement procedures fully reflect the local purchase intention. "It's just too easy for Outside firms right now to get that preference," says Thompson. He advocates that companies seeking the

Alaskan-made certification demonstrate they have a state business license, a local inventory and local overhead, including employees qualified to draw Alaska Permanent Fund dividend checks.

State procurement often violates the spirit of local purchasing because of inconsistent regulations and bad judgment. Thompson cites the example of an Anchorage firm that bid on a state contract but lost because a Seattle company was able to bid "lower" by excluding the cost of shipping. Further, civil servants made several trips to Seattle to monitor progress in manufacturing the requisitioned equipment, which cost a lot more than driving across town.

Thompson says, "The Anchorage guy was definitely the low bid. That's why we say there's a lot of room for improvement there. The state has a contradictory standard for its own procurement."

The whole thrust of the Make It Alaskan program is that buying from local companies pays the salaries of local workers, Thompson explains. Although Alaskans may have to pay 10 percent more to buy Alaskan, they should understand that the money comes back to them through their community, he adds.

But some local hire advocates haven't given up on even stronger measures than those contemplated by Make It Alaskan. For his part, Laborers Local 341's Pickarski feels "local hire will be better with a capital budget." But he also thinks more could be done: for example, extending tax breaks to companies that hire Alaskan. At the moment, "there's no incentive out there," Pickarski says.

Perhaps the most ambitious strategy on the table is a bill introduced by Sen. Pat Rodey of Anchorage that would authorize state agencies involved in capital projects to enter into collective bargaining agreements with construction trade unions. According to Mano Frey, business manager of the Laborers union, collective bargaining agreements are one place where the courts have tolerated local hire preference clauses.

"We've been talking about this for a long time," says Frey. Resistance in the past has come from some who see such a proposal as politically self-serving to unions. But Frey thinks with so many other remedies exhausted and greater awareness of the importance of wage retention to overall economic prosperity, the bill stands a chance. ♦

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April 23, 1991

## TESTIMONY RE: SSHB245 BEFORE THE HOUSE LABOR & COMMERCE COMMITTEE

My name is Bob Pavitt, and I'm President of CAPITAL COPY, LTD., an Alaskan corporation engaged in the quick-printing business in Juneau for over eleven years.

In a former life, I served Gov. Bill Egan as Director of State Planning and Research, so I am familiar with and supportive of efforts over many years to guide state agencies toward the goal of enhancing the state's economy by doing business wherever possible with Alaskan firms.

While we, along with the 1990 legislature, believe that the state should get the best value for expenditures, and that unnecessary publications should not be permitted, we submit that Chapter 100 SLA 90, the law that attempted to achieve those worthy objectives, in fact, does not!

In January, we pointed out in a letter to our local state legislators that the prices we have charged to public agencies for 10 these 11 years have been identical to those charged by the state's Central Duplicating quick-printing facility.

Many state agencies have been frustrated by the constraints placed on printing by the new law. They wait longer for important publications, and when serious errors are made, encounter additional delays while the publication is being corrected. An example of this frustration is the experience of one supply officer who came into our shop to purchase a particular type of recycled paper. Despite the fact that Central Duplicating was unable to meet the specifications for that report, they refused to allow the job to be taken to a private firm for printing, and suggested that if he supplied the paper for them, they could "come close" to the quality report previously produced at our shop. The ironic thing is that our normal public agency price, including the requested paper, was

substantially less than he was quoted by Central Duplicating.

We sincerely believe that Chapter 100 SLA 90 does not accomplish what its sponsors intended, and has created an untenable and unworkable situation which benefits neither the state nor the private sector. Our reading of the Sponsor substitute for HB 245 convinces us that it not only corrects the flaws we see in Chapter 100, but goes a long way in assuring that Alaskan firms will have a fair chance of competing for the provision of goods and services to our state government. We respectfully request that this Committee pass the subject bill on with a favorable recommendation...and thank the Committee for this opportunity to testify.

★ ★

Bob Pavitt  
Juneau, Alaska  
April 23, 1991

## Sectional Analysis of SS for HB 245

Section 1 lays out the proposed findings and purposes of this Act. The legislation is in response to the damage done to the state's economy when state agencies go outside for services and goods they are readily available in state. The aim of this legislation is to foster an environment where the state government, as a market participant, has improved access and ability to contract with Alaska businesses.

Section 2 amends the existent subcontractor paragraph of the procurement code. In addition to the requirement that the apparent low bidder submit a list of the subcontractors they propose to use in the performance of the contract and that the subcontractor to have a valid Alaskan business license, the bill requires the subcontractor to be registered with the state if so required by AS 08.18, a statutory section which relates to construction contractors. Section 2 also reduces the number of working days the apparent low bidder has to submit this information from five to three working days.

Section 3 cross references the notice provisions addressing invitations to bid to a general prohibition of its terms laid out in Section 7 of the bill.

Section 4 requires a procurement officer evaluating a bid to consider all administrative costs that may be incurred by the state for performance of the contract if the contract was awarded to that bidder. Administrative costs are defined as additional costs resulting from the out of state geographical location of the bidder or bidder's source of supplies.

Section 5 is an attempt to address the action of Alaska offerors in the competitive sealed proposal process (Generally, the competitive sealed proposal section of the code applies to the procurement of professional services). It requires the apparent low offeror to submit a list of the subcontractors they propose to use in the performance of the contract and requires the subcontractors to have a valid Alaskan business license, and to be registered with the state if so required by AS 08.18. If a subcontractor does not have a valid Alaskan business license, the offeror is required to replace the subcontractor with one who had a valid Alaskan license at the time the proposal was opened.

Section 6 provides that state solicitation of professional services may be exempt from the procurement code if the service is to be performed in an area outside the country, and if it requires knowledge of the customs, procedures, and rules of the area.

Section 7 addresses the in-state solicitation of contracts. It applies to invitations to bid, requests for proposals, limited procurements, and small procurements. This section requires an agency to provide notice of a contract to every Alaskan contractor registered with the state who provides the supplies, services, or professional services the agency is procuring. After notice is provided in the state, the agency may provide notice out of the state.

Section 8 provides leverage to state agencies to design procurements in a way that fosters participation by bidders or offerors in Alaska. The agency may accomplish this end by reducing in size or otherwise restructuring the request so it can be handled by Alaskan firms.

Section 9 provides that a bidder or offeror shall provide the procurement officer with an explanation of how they propose to use local goods and services in the completion of the contract. If the bidder or offeror does not intend to use local goods and services, they, in turn, shall provide an explanation of why they are not being used.

Section 10 requires an agency to first solicit in-state for employees unless the personnel officer determines in writing that they have solicited in state for four weeks and have been unable to find sufficient individuals qualified for the job. The prohibition does not apply to the executive or legislative branch if the governor or legislative budget and audit committee respectively determines in writing that it is unlikely they will find a qualified individual in the state. This section applies to classified, exempt, and partially exempt positions, with the exception of persons elected or appointed to public office, the judicial branch, heads of state departments, and members of boards, commissions, and authorities.

Section 11 requires that state publications, including those of the University of Alaska, be produced at a facility located in the state when practicable. The publications are to be designed in a way that promotes simplicity, low cost, and maximum use of printing facilities in the state.

Section 12 repeals two section of the printing provisions of the code to reflect the changes made in Section 11.

## SPONSOR SUBSTITUTE FOR HOUSE BILL 245

### Fiscal Note Attachment

Section 7 will have a fiscal impact on agencies. The 1989 procurement report indicated that 138 bids and Requests for Proposal were lost to non-Alaska vendors. The losses can be divided into two basic categories. In some cases, Alaska bidders responded but their prices were high enough that the 5% Alaska bidders preference had no effect. In the other cases there were no Alaska bidders. We do not have the information to determine the numbers of each case. If one assumed that Alaska bidders bid but had high prices, the fiscal impact to agencies during the period 1/88 to 7/89 would have been at least \$475,000 (5% of the price of bids). If one assumed that there were no Alaska bidders, the fiscal impact would have been the cost of reissuing 138 bids and Requests for Proposal, approximately \$28,000. This does not include any costs due to delays. The actual fiscal impact would have been somewhere in between. There is no way to accurately calculate the amount of any future fiscal impact or the agency it would impact.

Alaska State Legislature  
House of Representatives



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SESSION

P.O. Box V  
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(907) 465-2095

Representative Dave Choquette

May 6, 1991

To: Representative Gene Kubina  
Chair, State Affairs

From: Representative Dave Choquette

Re: CS (Labor and Commerce) for SSHB 245, an act relating to publications produced by state agencies and to the state procurement of property and services

It is with great pleasure that I introduce to your committee CS HB 245, an act relating to publications produced by state agencies and to the state procurement of goods and services.

I have titled this bill the Make-it-in-Alaska bill because it is aimed at changing state procurement practice to enable Alaskans to have a fair and equitable chance at competing for state work.

CSHB 245 is one arm of my attempt to get Alaskans to do business with other Alaskans. The average for the number of times money changes hands in the state of Alaska is 2.5. The national average for the number of times money changes hands before leaving a state is 7.8. Alaska's economic condition is directly affected by the level to which Alaskans look in state for the services and goods they require. Included in that formula is the level to which the state government also looks in state for the goods and services they require and does business with Alaskan firms. CSHB 245 addresses this end.

The legislation has seven key components. It aims at increasing the share of work going to Alaskans by:



- a. obliging procurement officers in each government agency to provide Alaskan suppliers and providers of service desiring to compete for state contract work with sufficient notice when the agency is procuring a service or good they are capable of providing;
- b. requiring procurement officers to add to the amount of each bid the administrative costs that would be incurred by the state; including the additional costs that result from the geographical location of the bidder;
- c. providing that state agencies must first provide notice inside the state for construction contracts, procurement orders, and employees;
- d. allowing procurement officers to structure a purchase order so that Alaskan bidders are capable of competing for the work;
- e. requiring that all state publications be printed within the state when practicable;
- f. providing that a bidder shall inform state agencies on how they intend to utilize local goods and services for performance of the contract; and
- g. amending the subcontractor section of the procurement code to require apparent low bidders and offerors to identify the subcontractors they plan on utilizing for the contract; and requiring these subcontractors to have a valid Alaskan registration if applicable.

Thank you for your prompt attention to this bill.

Alaska State Legislature  
House of Representatives

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SESSION

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Representative Dabe Choquette



Amendment Number Two to CSHB245 (L & C)

Offered by Representative Choquette

page 4, line 27

Insert (c) This section does not apply to procurements made under 36.30.300, 36.30.305, 36.30.310, and 36.30.320.



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Representative Dave Choquette



Amendment Number One to CSHB 245 (L & C)

Offered by Representative Choquette

page five, line five, following "offerors."

Insert "If it is anticipated that two or more Alaska bidders would be capable of performing the procurement this section does not apply."





# House State Affairs Committee

## Representative Gene Kubina, Chair

**DATE:** May 8, 1991

**PLACE:** Capitol, Room 102

**SUBJECT OF MEETING:**  
 \*HB 288 - Relating to Giving of Cash by Public Officials  
 \*HB 245 - Relating to State Procurements  
 \*HB 300 - Relating to Approp: Study Privatizing State Services

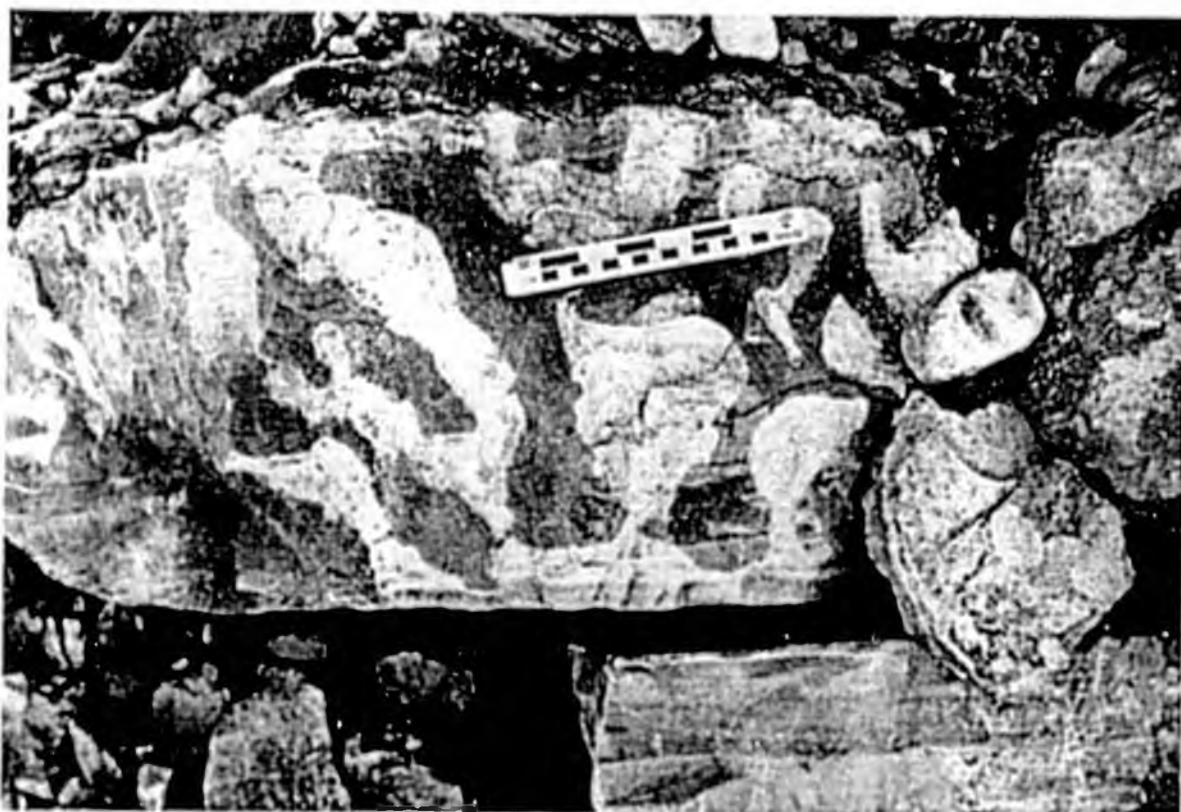
NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Bob Link	DCA				2250	<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 245
Joan Nockels	Staff Rep. Ory				2995	<input checked="" type="radio"/> Y	<input type="radio"/> N	HB 245
Terry Bannister	LAA Legal Serv's				2450	<input type="radio"/> Y	<input checked="" type="radio"/> N	HB 288
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						<input type="radio"/> Y	<input type="radio"/> N	

2

**THE FOLLOWING DOCUMENT  
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ORIGINAL FILE**

# GEOLOGY OF THE SADLEROGCHIT AND SHUBLIK MOUNTAINS ARCTIC NATIONAL WILDLIFE REFUGE, NORTHEASTERN ALASKA

By Mark S. Robinson, John Decker, James G. Clough, Rocky R. Relfenstuhl,  
John T. Dillon, Rodney A. Combellick, and Stuart E. Rawlinson



## PROFESSIONAL REPORT 100

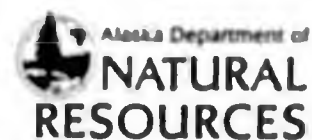
Published by

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

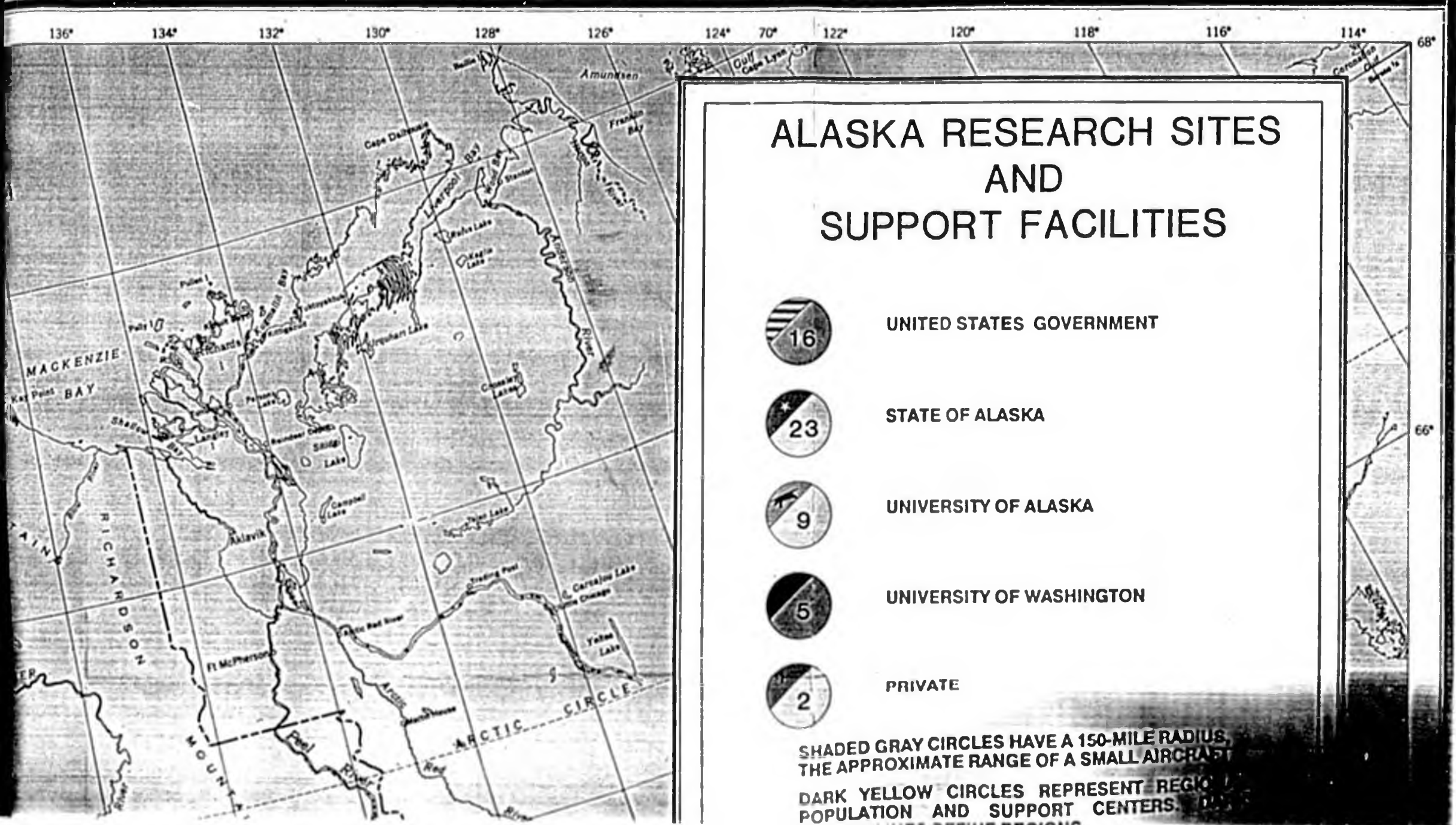
DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS

1989



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ORIGINAL FILE**

# ALASKA SCIENCE & ENGINEERING ADVISORY COMMISSION SCIENTIFIC SERIES 88-1





F10	Togiak NWR	Dillingham, AK	67°25' N, 151°03' W
F11	Becharof NWR	King Salmon, AK	60°02' N, 156°27' W
F12	Kasilno Bay Laboratory	Kasilno Bay, AK	66°41' N, 156°30' W
F13	Kodiak NWR	Kodiak, AK	60°29' N, 151°32' W
F14	Izembek NWR	Cold Bay, AK	67°47' N, 152°24' W
F15	Little Port Walter Research Station	Cold Bay, AK	65°12' N, 162°42' W
F16	Alaska Maritime NWR	Adak, AK	56°23' N, 134°38' W
		Adak, AK	51°52' N, 176°30' W

**ALASKA STATE SITES**  
Alaska Department of Fish & Game: Hatcheries & Administrative Stations

AK1	Sikusuaq Hatchery	N. of Kotzebue, AK	67°10' N, 162°30' W
AK2	Unalakleet Airport Station	Unalakleet, AK	63°52' N, 160°47' W
AK3	Emmonak Field Office	Emmonak, AK	62°40' N, 164°35' W
AK4	Fish and Game Bunkhouse	Bethel, AK	60°47' N, 161°45' W
AK5	Toksook Bay Field Station	Toksook Bay, AK	60°31' N, 165°08' W
AK6	Platinum Field Station	Platinum, AK	60°00' N, 161°47' W
AK7	Igloodig Airport Field Bunkhouse	Igloodig, AK	59°20' N, 155°55' W
AK8	King Salmon Admin. Station	King Salmon, AK	66°41' N, 156°30' W
AK9	Cold Bay Station	Cold Bay, AK	65°12' N, 162°42' W
AK10	Dutch Harbor Admin. Station	Dutch Harbor, AK	63°34' N, 166°31' W
AK11	Sand Point Admin. Station	Sand Point, AK	55°20' N, 160°30' W
AK12	Kiloi Bay Hatchery	Mognak Island, AK	56°11' N, 152°21' W
AK13	Tudik Lagoon Hatchery	Kachemak Bay, AK	60°35' N, 151°32' W
AK14	Big Lake Hatchery	N. of Anchorage, AK	61°45' N, 150°00' W
AK15	Clear Hatchery	S. of Nenana, AK	64°15' N, 147°10' W
AK16	Delta River Admin. Station	Delta Junction, AK	64°02' N, 145°44' W
AK17	Chitina Field Station	Chitina, AK	61°31' N, 144°28' W
AK18	Cordova Admin. & Bunkhouse	Cordova, AK	60°33' N, 145°45' W
AK19	Main Bay Hatchery	Kanal Peninsula, AK	60°33' N, 148°02' W
AK20	Yakutat Admin. Station	Yakutat, AK	59°23' N, 139°44' W
AK21	Haines Admin. Station	Haines, AK	59°14' N, 135°38' W
AK22	Snethisham Hatchery	Snethisham Port, AK	57°57' N, 133°32' W
AK23	Hidden Falls Hatchery	Kasimka Bay, AK	57°13' N, 154°52' W

**University of Alaska Research Stations**

UA1	Todik Lake Field Station	Todik Lake, AK	67°13' N, 154°08' W
UA2	Pt. Yukon Geophys. Observ.	Pt. Yukon, AK	66°33' N, 145°15' W
UA3	Poker Flat Research Range	Chetana, AK	65°00' N, 147°28' W
UA4	Minto Field Station	Minto Lakes, AK	64°53' N, 148°49' W
UA5	Nome Reindeer Res. Station	Nome, AK	64°37' N, 165°25' W
UA6	Cortaul Reindeer Res. Station	Cortaul, AK	63°23' N, 148°56' W
UA7	Seward Marine Center	Seward, AK	60°08' N, 148°28' W
UA8	Halibut Cove Field Station	Kachemak Bay, AK	60°35' N, 151°52' W
UA9	Fishery Industrial Tech. Ctr.	Kodiak, AK	67°54' N, 152°24' W

**University of Washington Fisheries Research Stations**

UW1	Cabin Bay Research Station	Lake Merka, AK	59°32' N, 159°00' W
UW2	Mosquito Point Research Site	Aktavagik, AK	59°17' N, 158°38' W
UW3	Iliamna Research Station	Iliamna, AK	60°45' N, 154°55' W
UW4	Porcupine Island Res. Station	E. Lake Iliamna, AK	60°30' N, 155°00' W
UW5	Chignik Lake Station	Chignik Lake, AK	66°14' N, 158°47' W



See Book U.S. Geological Survey, 1978  
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# SUPPORT FACILITIES



UNITED STATES GOVERNMENT



STATE OF ALASKA



UNIVERSITY OF ALASKA



UNIVERSITY OF WASHINGTON



PRIVATE

SHADED GRAY CIRCLES HAVE A 150-MILE RADIUS, THE APPROXIMATE RANGE OF A SMALL AIRCRAFT.

DARK YELLOW CIRCLES REPRESENT REGIONAL POPULATION AND SUPPORT CENTERS. DARK YELLOW LINES DEFINE REGIONS

## FEDERAL SITE LOCATIONS

MAP CODE	SITE NAME	LOCATION	LATITUDE/LONGITUDE
F1	Arctic NWR	Katlovik, AK	70°08' N, 143°38' W
F2	Selkirk NWR	Kotzebue, AK	66°34' N, 163°35' W
F3	Kanai NWR	Bethel, AK	64°34' N, 151°41' W
F4	Koyukuk NWR	Galena, AK	64°46' N, 156°56' W
F5	Inupuk NWR	McGrath, AK	62°57' N, 156°35' W
F6	Tellin NWR	Tok, AK	63°20' N, 157°35' W
F7	Yukon Delta NWR	Bethel, AK	60°47' N, 151°45' W
F8	Broad-Area Research Station	Portage Glacier, AK	60°20' N, 148°49' W
F9	Kanal NWR	Soldotna, AK	60°29' N, 151°03' W
F10	Togiak NWR	Dillingham, AK	59°02' N, 156°27' W
F11	Becharof NWR	King Salmon, AK	58°41' N, 156°38' W
F12	Kaktovik Bay Laboratory	Westerly Bay, AK	57°29' N, 151°22' W
F13	Kodiak NWR	Kodiak, AK	57°47' N, 152°24' W
F14	Umanak NWR	Cold Bay, AK	55°17' N, 163°47' W
F15	Little Port Water Research Station		56°22' N, 134°28' W
F16	Alaska Maritime NWR	Adak, AK	51°37' N, 173°39' W

## ALASKA STATE SITES

Alaska Department of Fish & Game: Hatcheries & Administrative Stations

AK1	Sturtevant Hatchery	N. of Kotzebue, AK	67°10' N, 162°30' W
AK2	Unalakleet Airport Station	Unalakleet, AK	63°52' N, 160°47' W
AK3	Emmonak Field Office	Emmonak, AK	62°40' N, 154°35' W
AK4	Fish and Game Bunkhouse	Bethel, AK	60°47' N, 151°45' W
AK5	Toksook Bay Field Station	Toksook Bay, AK	60°21' N, 165°00' W
AK6	Platinum Field Station	Platinum, AK	59°00' N, 161°49' W
AK7	Iglood Airport Field Bunkhouse	Iglood, AK	59°20' N, 155°55' W
AK8	King Salmon Admin. Station	King Salmon, AK	58°41' N, 156°38' W
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AK11	Sand Point Admin. Station	Sand Point, AK	55°20' N, 160°20' W
AK12	Khol Bay Hatchery	Alagnak Island, AK	58°11' N, 152°21' W
AK13	Tulka Lagoon Hatchery	Kachemak Bay, AK	59°25' N, 151°52' W
AK14	Big Lake Hatchery	N. of Anchorage, AK	61°45' N, 150°00' W
AK15	Clear Hatchery	S. of Nenana, AK	64°15' N, 149°10' W
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AK19	Mah Bay Hatchery	Kanal Peninsula, AK	60°32' N, 149°02' W
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AK22	Snellisham Hatchery	Snellisham Port, AK	57°57' N, 133°52' W
AK23	Hidden Falls Hatchery	Kasayka Bay, AK	57°13' N, 154°52' W

## University of Alaska Research Stations

UA1	Tooth Lake Field Station	Tooth Lake, AK	67°13' N, 154°08' W
UA2	P. Yukon Geophysics Center	P. Yukon, AK	60°20' N, 145°15' W
UA3	Chitina Research Center	Chitina, AK	65°00' N, 147°28' W
UA4	Minto Lake, AK	Minto Lake, AK	64°02' N, 146°49' W
UA5	Nome, AK	Nome, AK	64°02' N, 150°25' W