

SB

95



Senator Con Bunde
Senate District P
Alaska State Legislature

Member: Senate State Affairs Committee
Member: Senate Labor & Commerce Committee
Member: Joint Legislative Committee on Ethics

Sponsor Statement

SB 95

COMPETITIVE BIDDING FOR BALLOT PREP

Each time a voter goes to the ballot box, they probably do not think much about the time, preparation work and thousands of dollars that goes into producing the very ballots upon which they are casting their vote. Recently, it has come to my attention that for the past few years, the printing of these ballots has been sole-sourced to a single company without sending this important project out to bid to all Alaskan printers.

However, according to our statute, AS 15.15.030, this practice is completely up to the discretion of the Lieutenant Governor and Division of Elections, and there exists no mandate to allow for the competitive bidding of the state's ballot printing. There are various printing businesses across the state that, I believe, should be given a chance at this project, and so I am sponsoring this legislation to level the playing field that offers a more transparent bid award process.



**Onnie Kendall
General Manager,
Service Business Printing**

Why the bill is good legislation-

- **Sole-sourcing the print work doesn't allow for other AK businesses to have the opportunity to benefit from one of the largest State of AK print jobs.**
- **Opening up the project to bid will allow all those printers capable of the scope of the project to have an opportunity to take it on.**
- **An open bid process would give the state a balanced purchase price and would open up the prospect for all capable the prospect of winning the business.**

-Diebold fee of \$5000 won't be paid unless we know the business is possible.

-Job specs – 8.5x18, app. 400,000 pieces

-Alaska product preference would help keep the work in-state.

Traditional and Digital Printing

323 East Firwood Lane Anchorage, Alaska 99503 phone 907-276-3004 toll free in Alaska 800-576-3004 fax 907-279-3004



907-349-7508 Phone

907-349-4398 Fax

To: Senator Con Bunde
Re: Support for SB 95

Dear Senator Bunde!

I am writing in support of SB95, requiring the State Division of Elections to put the printing of the state election ballots out to competitive bid. My company has been successfully printing the same type of election ballots used by the State of Alaska for the Municipality of Anchorage for years and believe we – as well as other Alaskan printing companies – should have the opportunity to bid on, and print, the state's election ballots.

AT Publishing has been in business in Anchorage for more than 40 years and has competitively bid and printed many jobs for the State of Alaska. Few printing companies in Alaska have our capabilities and as we are already certified by Diebold to print ballots destined for their ballots readers, we strongly believe we should have the opportunity to bid on this work.

Please contact me if you have any questions.

Sincerely,

Frank Martone
Owner
AT Publishing & Printing

W E C O L O R A L A S K A

1720 Abbott Road • Anchorage, AK 99507-3443 • 800-478-0452 Toll Free • E-mail: atpub@alaska.net

America North Printers

April 17, 2007

To: Senator Con Bunde
Re: SB95

Dear Senator Bunde,

I am writing you in support of SB95, an effort to open up the printing of the state election ballots to competitive bid.

Until recently I was unaware, and then surprised, to learn that Alaskan printing companies were unable to bid for the printing of the state election ballots. I find this to be an unfair practice to sole-source this contract to a single printer when there are many shops in Anchorage and throughout Alaska capable of handling such a job.

If this law were changed in favor of an open bidding process, I would certainly consider spending the time and resources necessary to become a Diebold certified ballot printer and therefore submit bids for printing of the ballots.

This process should be opened up for all Alaskan printing companies.

Thank you for your time in submitting this legislation.

Sincerely,



Paul Winn
Owner

Testimony by Patrick Foster (A.T. Publishing) in Favor of SB 95
Opening the state election ballots to competitive bid

Good Afternoon!

Chairman French and Members of the Committee, my name is Patrick Foster and I have been working in the print industry in Alaska for nearly 30 years and currently work for AT Publishing & Printing in Anchorage.

I am here in support of SB 95 because I believe it is unfair that the Division of Elections sole-sources the printing of the state election ballots to a single shop on the Kenai Peninsula when there are many printing companies in Alaska fully capable of printing the ballots.

The State of Alaska uses the Diebold electronic ballot readers for the purpose of tallying results for statewide elections. Diebold requires printing companies who print ballots destined for their machines be certified by them. At the time the State of Alaska adopted the use of these ballot readers, no companies in Alaska were certified. Shortly thereafter a small Alaska printing company was certified and the Division of Elections has been handling the work to this company ever since. This is done despite the fact that a number of other Alaskan printing companies have voiced a desire to be included in the process. My company, AT Publishing, became a certified Diebold printer in 2003.

I am aware there is probably a certain "comfort level" the Division has in working with a printer that has proven to do a decent job. I make a living trying to give my customers that same comfort, and have succeeded in the recent ballot-printing contract in Anchorage. The Municipality of Anchorage went through five election cycles sole-sourcing the printing of its ballots with another printer before the decision was made to put the printing of ballots out to competitive bid. The Municipal Clerk was admittedly concerned moving forward with a new printer, but since has found the change was relatively easy and the city has benefited by paying less for the ballots. My company has been printing Anchorage's election ballots for three elections and the Municipality will be putting a new contract out for bid this year. I am certain that the State Division of Elections would develop a fine working relationship with any printing company that would be awarded the contract for printing its ballots.

There are some who claim that the complexity of the Alaska ballots is reason enough to leave things the way they are, but nothing is further from the truth. Certainly the task of printing a few hundred thousand ballots would be daunting for some small shops, and they wouldn't bid on this project anyway. But, there are many companies in Alaska fully capable of handling the volume of work in the time required and handle the packaging and shipping logistics as well. As printing jobs go, the ballots are fairly easy to produce. They do require careful imprinting and packaging, but nothing beyond the scope of many jobs produced by dozens of Alaskan printing companies each year.

Another concern is that the Division of Elections could be bogged down putting each election cycle out to bid. I would recommend that each bid be awarded for one election cycle with a performance option for a second cycle.

Opening the election ballots to competitive bid would have a variety of positive effects, including the probable savings of a substantial amount of money. Also, the money spent by the State would be spread around a little more to other businesses. The level playing field would open the door for more Alaskan printing companies to be involved, giving them the opportunity to upgrade their facilities and improve their standing in the industry. Additionally, the State would not have to put all their eggs in one basket, relying on just one printing company for the printing of the ballots.

This concludes my testimony. I would be happy to answer any questions you may have.

Additional Information:

- To be certified as a Diebold ballot printer, a printing company must send Diebold a check for \$5000 along with a small sample print job (from Diebold files). Diebold then tests the sample ballots and either approves or denies the certification. The certification process takes about two weeks.
- Over the past decade I have made a number of attempts to open the process, as have some of my colleagues in the industry only to find ourselves chasing our tails. The Division of Elections claims it is the decision of the Lt. Governor and the Lt. Governor's office has said it was up to the Division of Elections.
- The Municipality of Anchorage saved more than \$10,000 on ballot printing costs alone during the first year of its competitively awarded contract and realized more than \$35,000 in savings over a three-year period.
- In a meeting with Lt. Governor Sean Parnell in February 2007, the Lt. Governor told me he was supportive of the idea of going out to competitive bid, but was concerned that Outside companies could possibly win the bid. This issue is easily handled with the use of the Alaska Product Preference rules and creating a production timeline that would make it difficult for Lower 48 companies to accommodate. It may be possible to exclude Lower 48 companies from bidding on the ballots.

- The Division of Elections is also protected from having to seek competitive bids for the election ballots because of an exemption in the Administrative Procurement Act. This exemption should also be removed from statute.
- I have spoken with many different representatives from printing companies about the possibility of them becoming Diebold certified. Almost every one I contacted said there was no point if the State was not going to give them an opportunity to bid on the ballots. Since the Municipality of Anchorage has gone to bid on its ballots, two companies have indicated to me they were strongly considering it.
- The Municipality of Anchorage required any printing company submitting a bid for printing its ballots must be certified by Diebold prior to the bid submission. Dane Sutterfield, a procurement specialist for the Municipality of Anchorage, told me he released the bid proposals with enough time for interested printing companies to achieve the certification.

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Alaska State Legislature

**Senator Con Bunde
District P**

Member : Senate Labor & Commerce Committee
Member : Senate State Affairs Committee
Member : Joint Legislative Committee on Ethics

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-4843



During Interim:
716 W. Fourth Avenue
Anchorage, AK 99501-2133
(907) 269-0181

MEMORANDUM

DATE: Monday, April 16, 2007
TO: Senator Lesil McGuire, Chair, Senate State Affairs Committee
FROM: Senator Con Bunde
RE: SB 95 Competitive Bidding for Ballot Prep
Additional information

To date, we have the following data on ballot printing procedures from these states:

Closed Bid Process:

Alaska
Iowa
S. Dakota
Oklahoma

Open Bid Process:

Louisiana
Vermont (every 4 years)

Combination of open/closed bids that vary from county to county:

Colorado, Kansas, S. Carolina, Indiana, Wisconsin, W. Virginia, Minnesota,
N. Carolina, California, Connecticut