

**HB**

**204**

<TARGET><BILL>HB 204</BILL><SUBJECT>HB  
204</SUBJECT><COMM>HFIN27</COMM></TARGET>



# FISCAL NOTE

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

Fiscal Note Number 1  
Bill Version HB 204  
(H) Publish Date 3/29/11

Identifier (file name) HB204A-DOA-PUR-03-23-11 Dept. Affected Administration  
Title An act relating to the state procurement code...effective date Appropriation Centralized Administrative Services  
Allocation Purchasing  
Sponsor Representatives FAIRCLOUGH, Neuman  
Requester House State Affairs OMB Component Number 60

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>								
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<b>CHANGE IN REVENUES</b>								
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other (please identify)								
<b>TOTAL</b>	<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2011) cost \_\_\_\_\_

**POSITIONS**

Full-time								
Part-time								
Temporary								

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial version

Prepared by Vern Jones  
Division General Services  
Approved by John Cramer, Deputy Commissioner  
Department of Administration

Phone 465-5684  
Date/Time 3/23/11 2:30 PM  
Date 3/23/2011

FISCAL NOTE #1

STATE OF ALASKA  
2011 LEGISLATIVE SESSION

BILL NO. HB 204

**Analysis**

This bill makes changes to the State Procurement code that simplifies state procurement. The Department of Administration, Division of General Services does not anticipate any fiscal impact from the proposed legislation.



# Alaska State Legislature

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## Representative Anna Fairclough – House District 17

### Sponsor Statement

#### House Bill 204

"An Act relating to the State Procurement Code, including the use of small procurement provisions for certain amounts of leased space, the requirement of Alaska business license proof for Alaska bidder and other procurement preferences, the registration of construction contract bidders and offerors, the establishment and maintenance of lists of persons who want to provide supplies or services to the state, state agencies, and state instrumentalities, electronic bids and proposals, small procurements, signatures, and writings; and providing for an effective date."

House Bill 204 makes changes to the state's procurement code. Collectively, these changes streamline the procurement code to ensure consistent application of the law, and results in a more understandable, efficient procurement process. These changes are needed to prevent failed procurements and provide modern procurement tools and techniques to the State's workforce.

This legislation would clarify Alaska business license requirements for competitive sealed bids and proposals and qualification for the Alaska bidder preference, which should reduce the number of bids and proposals the state currently disqualifies on technical grounds.

The dollar threshold for informal or small procurements is increased, which will simplify many purchases that are now procured via time consuming and more complex formal procurement rules.

HB 204 updates our Procurement Code and provides tools and techniques to our employees. The bill allows for electronic receipt of bids and signatures. The bill also eliminates the requirement to maintain outdated vendor lists in a time when commerce is moving online.

It has been many years since our procurement code has been modernized. These changes will position us to become more efficient and effective in our purchasing and contracting.

I appreciate your support and consideration of this legislation.



# Alaska State Legislature

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## Representative Anna Fairclough — House District 17

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### HB 204 Sectional Analysis

**\* Section 1:** Amends AS 36.30.080(f)

Increases the threshold limit for small procurements of leased space from 3,000 square feet to 7,000 square feet, consistent with section 7.

**\* Section 2:** Amends AS 36.30.110(b)

Clarifies Alaska business license requirements for competitive sealed bids and qualification for the Alaska bidder preference. Change would require bidders to show proof of their Alaska Business License prior to award, but would require the license at the time of bid submission in order to qualify for the Alaska bidder preference.

**\* Section 3:** Amends AS 36.30.130(a)

Eliminates reference to a procurement officer's use of vendor lists, reflecting the repeal of the statute establishing the vendor lists, consistent with section 10.

**\* Section 4:** Amends AS 36.30.210(b)

Clarifies construction contractor registration requirements, now explicitly requiring registration before award of a contract.

**\* Section 5:** Amends AS 36.30.210(e)

Clarifies Alaska business license requirements for competitive sealed proposals and qualification for the Alaska bidder preference using language consistent with that used in section 2.

**\* Section 6:** Amends AS 36.30 by adding a new section 36.30.290

Adds a new section allowing an agency to accept electronic bids and proposals.

\* **Section 7:** Amends AS 36.30.320(a)

Increases the threshold under which a state agency may use informal procurement process to \$100,000 for goods and professional services, to \$200,000 for construction, and 7,000 square feet for lease of space.

\* **Section 8:** Amends AS 36.30.655

Eliminates reference to the removal of debarred or suspended persons from vendor lists, reflecting the repeal of a law establishing the vendor lists, consistent with section 10.

\* **Section 9:** Amends AS 36.30.990

Adds new definitions for “in writing” and “written.”

\* **Section 10:** Repeals statute establishing the vendor list.

\* **Section 11:** Amends the uncodified law of the State of Alaska

Clarifies the application of the procurement act to pending solicitations during transition period.

\* **Section 12:** Effective Date

Language making the procurement act effective immediately.