

**HB**

**205**

<TARGET><BILL>HB 205</BILL><SUBJECT>HB  
205</SUBJECT><COMM>SF IN27</COMM></TARGET>



# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version HB 205  
 Fiscal Note Number 3  
 (S) Publish Date 4/10/12

Identifier (file name) HB205-DOLWD-VRA-1-12-12 Dept. Affected Labor and Workforce Development  
 Title Public Procurement Appropriation Vocational Rehabilitation  
 Sponsor Representative Fairclough Allocation Voc Rehab Admin  
 Requester Senate State Affairs OMB Component Number 202  
 Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY13<br>Appropriation<br>Requested | Included in<br>FY13<br>Governor's<br>Request | Out-Year Cost Estimates |            |            |            |            |            |
|------------------------|------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
|                        |                                    |  | FY14                    | FY15       | FY16       | FY17       | FY18       |            |
| Personal Services      |                                    |  |                         |            |            |            |            |            |
| Travel                 |                                    |  |                         |            |            |            |            |            |
| Services               |                                    |  |                         |            |            |            |            |            |
| Commodities            |                                    |  |                         |            |            |            |            |            |
| Capital Outlay         |                                    |  |                         |            |            |            |            |            |
| Grants, Benefits       |                                    |  |                         |            |            |            |            |            |
| 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>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| FUND SOURCE           | (Thousands of Dollars) |            |            |            |            |            |            |            |
|-----------------------|------------------------|------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts |                        |            |            |            |            |            |            |            |
| 1003 GF Match         |                        |            |            |            |            |            |            |            |
| 1004 GF               |                        |            |            |            |            |            |            |            |
| 1005 GF/Prgm (DGF)    |                        |            |            |            |            |            |            |            |
| 1037 GF/MH (UGF)      |                        |            |            |            |            |            |            |            |
| 1178 temp code (UGF)  |                        |            |            |            |            |            |            |            |
| <b>TOTAL</b>          | <b>0.0</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| POSITIONS                 |  |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|--|
| Full-time                 |  |  |  |  |  |  |  |  |
| Part-time                 |  |  |  |  |  |  |  |  |
| Temporary                 |  |  |  |  |  |  |  |  |
| <b>CHANGE IN REVENUES</b> |  |  |  |  |  |  |  |  |

**Estimated SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required)  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY13) costs** 0.0 (separate capital appropriation required)  
*(discuss reasons and fund source(s) in analysis section)*

**Why this fiscal note differs from previous version (if initial version, please note as such)**  
 Updated for 2012.

Prepared by Cheryl Walsh, Director Phone 465-6926  
 Division Division of Vocational Rehabilitation Date/Time 11/23/11 2:00 PM  
 Approved by Click Bishop, Commissioner Date 1/12/2012  
Department of Labor and Workforce Development

FISCAL NOTE #3

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

BILL NO. HB 205

**Analysis**

There is no fiscal impact to the department anticipated as a result of this legislation.

# FISCAL NOTE

STATE OF ALASKA  
2012 LEGISLATIVE SESSION

Bill Version HB 205  
Fiscal Note Number 2  
(S) Publish Date 4/10/12

Identifier (file name) HB205-DOA-PUR-12-01-11 Dept. Affected Administration

Title Public Procurement Appropriation Centralized Administrative Services

Sponsor Representatives Fairclough Allocation Purchasing

Requester Senate State Affairs OMB Component Number 60  
(Thousands of Dollars)

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

|                               | FY13<br>Appropriation<br>Requested | Included in<br>FY13<br>Governor's<br>Request | Out-Year Cost Estimates |            |            |            |            |            |
|-------------------------------|------------------------------------|--|-------------------------|------------|------------|------------|------------|------------|
|                               |                                    |  | FY14                    | FY15       | FY16       | FY17       | FY18       |            |
| <b>OPERATING EXPENDITURES</b> | <b>FY13</b>                        | <b>FY13</b>                                  |                         |            |            |            |            |            |
| Personal Services             |                                    |  |                         |            |            |            |            |            |
| Travel                        |                                    |  |                         |            |            |            |            |            |
| Services                      |                                    |  |                         |            |            |            |            |            |
| Commodities                   |                                    |  |                         |            |            |            |            |            |
| Capital Outlay                |                                    |  |                         |            |            |            |            |            |
| Grants, Benefits              |                                    |  |                         |            |            |            |            |            |
| 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>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| FUND SOURCE  |                  | (Thousands of Dollars) |            |            |            |            |            |            |            |
|--------------|------------------|------------------------|------------|------------|------------|------------|------------|------------|------------|
| 1002         | Federal Receipts |                        |            |            |            |            |            |            |            |
| 1003         | GF Match         |                        |            |            |            |            |            |            |            |
| 1004         | GF               |                        |            |            |            |            |            |            |            |
| 1005         | GF/Prgm (DGF)    |                        |            |            |            |            |            |            |            |
| 1037         | GF/MH (UGF)      |                        |            |            |            |            |            |            |            |
| 1178         | temp code (UGF)  |                        |            |            |            |            |            |            |            |
| <b>TOTAL</b> |                  | <b>0.0</b>             | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

| POSITIONS                 |  |            |            |            |            |            |            |            |            |
|---------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|
| Full-time                 |  |            |            |            |            |            |            |            |            |
| Part-time                 |  |            |            |            |            |            |            |            |            |
| Temporary                 |  |            |            |            |            |            |            |            |            |
| <b>CHANGE IN REVENUES</b> |  | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Estimated SUPPLEMENTAL (FY12) operating costs** 0.0 (separate supplemental appropriation required),  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY13) costs** 0.0 (separate capital appropriation required),  
(discuss reasons and fund source(s) in analysis section)

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

Prepared by Vern Jones Phone 907-465-5684  
Division General Services Date/Time 12/1/11 4:00 PM  
Approved by John Cramer, Deputy Commissioner Date 12/2/2011  
Department of Administration

**FISCAL NOTE #2**

**STATE OF ALASKA  
2012 LEGISLATIVE SESSION**

**BILL NO. HB 205**

**Analysis**

This legislation provides clarification for the meaning of "Alaska bidder" in the procurement process and reference documents. The Department of Administration, Division of General Services does not anticipate any fiscal impact from the proposed legislation.



## Alaska State Legislature

### Representative Anna Fairclough — House District 17

#### Sponsor Statement

#### House Bill 205

"An Act relating to state and public entity procurement, including the State Procurement Code, procurement preferences, and contract awards; relating to the meaning of 'Alaska bidder'; and providing for an effective date."

House Bill 205 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 for the state's business partners as well as our employees who conduct procurements.

Streamlining is accomplished by simplifying the application of our many preferences, which is currently complex and confusing for employees and vendors requiring a certain level of expertise. The bill makes application of the preferences uniform – currently, preferences do not contain the same language so they must be applied differently. It also clarifies which preferences are cumulative and those that may not be combined.

House Bill 205 would add a new section to the procurement code consolidating the Alaska bidder preference, Alaska veterans' preference, and other preferences formerly at AS 36.30.170(b). This section also simplifies the qualification for the disability and employment program preferences and eliminates the seldom used employers of people with disabilities preference.

With the passage of this legislation, our procurement process will be simplified and more user friendly to Alaska business owners and our state workers.

I appreciate your support and consideration of this legislation.

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Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819

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Representative\_AnnFairclough@legis.state.ak.us



## Alaska State Legislature

### Representative Anna Fairclough — House District 17

#### HB 205 Sectional Analysis

- \* Section 1:** Amends AS 24.55.275  
Updates a citation to reflect the renumbering of a preference.
- \* Section 2:** Amends AS 36.15.050(a)  
Amends the local agricultural preference to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other procurement preferences.
- \* Section 3:** Amends AS 36.15.050(b)  
Amends the local fisheries preference to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other procurement preferences.
- \* Section 4:** Amends AS 36.15.050 by adding a new subsection (h)  
Amends the local agricultural and fisheries preferences to disallow a bidder from being granted both a local agricultural/fisheries preference and an Alaska product preference under another statute.
- \* Section 5:** Amends AS 36.30.015(e)  
Updates a citation to reflect the renumbering of a preference.
- \* Section 6:** Amends AS 36.30.015(f)  
Updates a citation to reflect the renumbering of a preference.
- \* Section 7:** Amends AS 36.30.015(h)  
Updates a citation to reflect the renumbering of a preference.

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- \* Section 8:** Amends AS 36.30.020  
Updates a citation to reflect the renumbering of a preference.
- \* Section 9:** Amends AS 36.30.030  
Updates a citation to reflect the renumbering of a preference.
- \* Section 10:** Amends AS 36.30.170  
Updates a citation to reflect the renumbering of the Alaska bidder preference.
- \* Section 11:** Amends AS 36.30 by adding a new section 36.30.321  
Adds a new section consolidating the Alaska bidder preference, Alaska veterans' preference, and other preferences formerly at AS 36.30.170(b). This section also simplifies the qualification for the disability and employment program preferences, eliminates the seldom used employers of people with disabilities preference, and excludes real estate leases from application of procurement preferences.
- \* Section 12:** Amends AS 36.30.322(a)  
Modifies the use of local forest products statute to grant a seven percent cost preference to the qualifying bid rather than to the low bid, making this preference consistent with other preferences.
- \* Section 13:** Amends AS 36.30.336 by repealing and reenacting  
Clarifies which preferences are cumulative and which may not be combined. (example: bidders can not claim both an employment program preference and a disabled bidder preference)
- \* Section 14:** Amends AS 36.30.990 by adding a new paragraph  
Moves the definition for "Alaska bidder" (formerly contained in 36.30.170(b)).
- \* Section 15:** Amends AS 36.90.049(a)  
Updates a citation to reflect the renumbering of a preference.
- \* Section 16:** Amends AS 38.35.017(a)  
Updates a citation to reflect the renumbering of a preference.
- \* Section 17:** Repeals statute establishing the veteran preference because it has been relocated to AS 36.30.321(f). Also repeals employment program language (not the preference itself) and relationship to other preferences.

**\* Section 18:** Amends the uncodified law of the State of Alaska

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

**\* Section 19:** Effective Date

Language making the procurement act effective immediately.

March 30, 2012

The Honorable Anna Fairclough  
Representative, Alaska House of Representatives  
Alaska State Capitol, Room 501  
Juneau, AK 99801

Re: House Bill 205

Dear Representative Fairclough:

The mission of the Alaska State Chamber of Commerce (Alaska Chamber) is to promote a positive business environment in Alaska. The Alaska Chamber represents hundreds of businesses and local chambers from across Alaska. These member businesses share the goal of improving Alaska's low "business friendliness" rankings in national polls. Often government regulations erect unnecessary barriers to doing business. House Bill 205 (HB 205) streamlines and clarifies the State's procurement code removing rather than adding barriers.

The Alaska Chamber supports HB 205. This past October, Alaska Chamber members gathered to discuss Alaska's economic challenges and opportunities. At our Policy Forum, members agreed to "...ensure that the preferences currently in Alaska's procurement regulations are protected and continue to provide a competitive advantage to Alaska-based or Alaska-owned businesses."

Alaska Chamber members believe the State of Alaska has an interest in maintaining competitive procurement advantages for Alaska-based and Alaska-owned businesses. Alaska's private sector businesses create the jobs and livelihoods that fuel Alaska's economy and population growth.

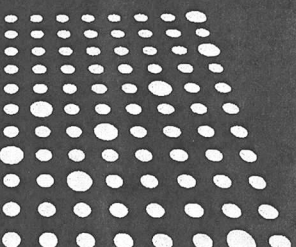
Alaska businesses face more challenges compared to outside institutions. Outside firms have a lower cost of doing business and the preference currently in statute and regulation help offset the advantage outside firms have over Alaska businesses. The intent of these preferences is that when all factors are equal, a preference is provided to businesses located within Alaska. By advantaging Alaskan-based businesses over outside interests, that State of Alaska works to keep Alaskan companies from relocating to outside markets with larger labor pools and greater customer bases. HB 205 streamlines and clarifies Alaska bidder preferences in statute.

The Alaska Chamber appreciates your work to improve Alaska's business climate and fully supports HB 205.

Sincerely,



Rachael A. Petro  
President/CEO



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CHAMBER  
OF COMMERCE

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