

HB

205

<TARGET><BILL>HB 205</BILL><SUBJECT>HB
205</SUBJECT><COMM>SSTA27</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 4/12/11

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/10/12

State Affairs Committee considered HOUSE BILL NO. 205

HB 205 PUBLIC PROCUREMENT

"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."

and recommends:

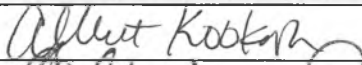
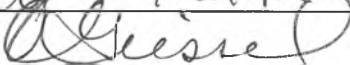

- [] be replaced with SCS _____ (_____) [] Same Title [] Technical Title Change
[] New Title/SCR No. _____
- [] adopt previous SCS _____ (_____) [] Same Title [] Technical Title Change
[] New Title/SCR No. _____
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
ADM			✓	2
LWF			✓	3

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Kooten	✓			
	Giessel	✓			
CHAIR: 	Willechowski	✓			



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.



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.

* **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.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB205\M
() Publish Date _____

Identifier (file name) HB205-DOA-PUR-03-23-11 Dept. Affected Administration
Title An act relating to the state and public entity procurement... date Appropriation Centralized Administrative Services
Allocation Purchasing
Sponsor Representative(s) 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
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING	0.0		0.0		0.0		0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES								
---------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

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

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 Division of 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

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB205M

Analysis

This bill reorganizes and provides consistent language for state procurement preferences, making them simpler to understand and apply. The Department of Administration, Division of General Services does not anticipate any fiscal impact from the proposed legislation.