

**HB**

**50**

<TARGET><BILL>HB 50</BILL><SUBJECT>HB  
50</SUBJECT><COMM>HSTA30</COMM></TARGET>



# Representative Sam Kito

## Alaska State Legislature

### House District 33

Downtown Juneau  
Douglas  
Haines  
Klukwan  
Skagway  
Gustavus  
Excursion Inlet

Chair  
House Labor & Commerce

Chair  
Legislative Council

Member  
House Health &  
Social Services

Member  
House Rules

### Contact

Rep. Sam Kito  
Alaska State Capitol 403  
120 4<sup>th</sup> St  
Juneau, AK 99801

907-465-4766

Rep.Sam.Kito@akleg.gov

### Sponsor Statement

#### House Bill 50

#### Qualifications-Based Selection in State-Funded Contracts

House Bill 50 extends the use of Qualifications-Based Selection (QBS) of design professionals to municipal and non-profit organizations receiving state funds. Currently, projects designed and constructed for or on behalf of state agencies are required to utilize the QBS process when selecting the services of an architect, engineer, land surveyor, or landscape architect (design professional). However, municipalities or non-profit organizations receiving state funding for construction projects are not currently required to use QBS.

The QBS process allows for the selection of design professionals based on the qualifications provided by the hiring company or individual. The cost of the design services is still factored in through the contract negotiation process; if an acceptable price cannot be agreed upon with the most qualified respondent, negotiations can be terminated with that respondent and initiated with the second most qualified respondent, or the third most qualified respondent, until an agreement on price is reached.

Using QBS to choose design professionals is similar to the way in which we, as individuals, consider the qualifications of a medical professional when selecting a doctor, or legal experience when selecting a lawyer. With many types of engineers, and many different specialties in architecture, it is important to ensure that the most qualified professional is hired to work on projects funded with public money.

Using the QBS process will result in public projects that are better and more efficiently designed. It will also yield cost savings to the state both in the short term through a reduction in costly construction change orders and in the long term through lower operating costs. Both state and federal projects have used QBS, with great success.

Thank you for your support of House Bill 50.



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907-465-4766

Rep.Sam.Kito@akleg.gov

DATE: 31 January 2017

TO: Representative Jonathon Kreiss-Tomkins  
Chair, House State Affairs Committee

FROM: Representative Sam Kito

RE: HB 50 – Professional Services in State-Funded Contracts

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I respectfully request that the House State Affairs Committee schedule House Bill 50 – Professional Services in State-Funded Contracts for a hearing. If possible, we would like to schedule a hearing during the Alaska Professional Design Council Legislative Fly-in, which will take place on 8 and 9 February 2017. We appreciate your consideration of this special request.

Please find attached:

- House Bill 50 version A
- Sponsor Statement
- Sectional Analysis
- Supporting Documents
  - ASCE Policy Statement 304 Jul 2010
  - ASCE QBS State Issue Brief Aug 2011
  - APDC LLC Fly-In Position Statement 11 Feb 2015
  - Legislative Research Report

Thank you for your consideration. If you have any questions, please do not hesitate to contact me or my staff Tally Teal at 465-4875.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Kito".

Rep. Sam Kito III



# Representative Sam Kito

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### Sectional Analysis

#### House Bill 50

#### Qualifications-Based Selection in State-Funded Contracts

**Section 1.** Amends AS 36.90 by adding a new section to article 2.

**Subsection a.** directs the contracting person to negotiate with the most qualified and suitable professional person of demonstrated competence to perform the services; requires the contract to be awarded at fair and reasonable compensation; requires consideration of proximity unless federal law prohibits it.

**Subsection b.** directs the contracting person to negotiate with the next most qualified professional person if an agreement cannot be reached with the most qualified, and so on in order of ranking.

**Subsection c.** allows the contracting person to reject all or part of a proposal.

**Subsection d.** exempts contracts awarded in a situation of public necessity from this section.

**Subsection e.** allows price to be included as a factor in selection when the services are repetitious, and when the scope, nature and amount of services are thoroughly defined; stipulates that price may be a factor in selection only if a majority of the persons involved by the contraction person in proposal evaluation are registered in the state to perform architectural, engineering, or land surveying services.

**Subsection f.** states that this section does not apply to a contract that incorporates both design services and construction.

**Subsection g.** defines the terms "contracting person," "grant recipient," "school district," "professional person," and "state-funded."

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 50  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB050-DOA-DGS-02-03-17  
Title: PROF. SERVICES IN STATE-FUNDED  
CONTRACTS  
Sponsor: KITO  
Requester: (H) STA

Department: Department of Administration  
Appropriation: Shared Services of Alaska  
Allocation: Purchasing  
OMB Component Number: 60

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2018<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2018<br>Request | Out-Year Cost Estimates |            |            |            |            |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
|                               |                                      |  | FY 2019                 | FY 2020    | FY 2021    | FY 2022    | FY 2023    |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2018</b>                       | <b>FY 2018</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> |

**Fund Source (Operating Only)**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <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> |

**Positions**

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

**Change in Revenues**

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <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> |

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable; initial version.

|   |                                  |
|---|----------------------------------|
| Prepared By: <u>Jason Soza, Chief Procurement Officer</u> | Phone: <u>(907)465-5684</u>      |
| Division: <u>General Services</u>                         | Date: <u>02/03/2017 09:00 AM</u> |
| Approved By: <u>Sheldon Fisher, Commissioner</u>          | Date: <u>02/03/17</u>            |
| Agency: <u>Administration</u>                             |                                  |

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB 50

**Analysis**

This bill requires state grant recipients, municipalities, and school districts to follow similar procedures as executive branch agencies when using state funds for architectural, engineering, or land surveying procurement.

This bill does not change existing state statute for state procurement of architectural, engineering, or land surveying contacts. Therefore, the Division of General Services submits a zero fiscal note.



Catherine Fritz, AIA  
Architect

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February 4, 2017

Honorable Representative Sam Kito, III  
Delivered via email: Representative.Sam.Kito.III@akleg.gov

Dear Representative Kito,

Open competition is a fundamental premise of good government procurement. Passage of HB50 will establish a fair playing field by requiring that Qualifications Based Selection (QBS) be used to select professional design services for all projects that receive state funding. I appreciate your sponsorship of this bill and fully support its passage.

QBS currently exists in AS 36.30.270, requiring that design professionals be selected in this fair, competitive manner for state-owned projects. However, the statute does not specify that QBS be used for non-state agencies or political subdivisions that receive state funds for capital projects. This bill will close the existing loophole, and bring procurement consistency to all projects that utilize state funding.

In my long career as a public sector architect, I have participated in many projects that used QBS to select the design team. I can attest to the competitive rigor and fairness of QBS, which is typically a two-step process: Step 1 selects the most qualified team through a proposal scoring system that the Owner fully controls. Step 2 brings the parties (Owner and Consultant) together to discuss fees for the needed design services. Fee negotiations create a strong foundation for the project, allowing both parties to enter the design process with clear understanding of expectations. Without negotiations (when price is provided without discussion), the project can result in lost opportunities for the Owner to receive the benefit of a designer's expertise, misunderstandings about scope, and poor quality of documents. These shortcomings, in turn, can create an unfair construction bidding environment and expensive changes during construction.

For the past 9 years, I have worked on projects funded by the Federal Aviation Administration, an agency that requires the use of QBS. Other federal agencies, including the Federal Highways Administration and the Federal Transit Authority also require QBS. HB 50 would put into practice a similar condition without financial impact or onerous conditions for the Owner. The State of Alaska has long used QBS as a fair and competitive process for state projects. Requiring projects that receive state funding to do the same will increase consistency and fairness in procurement throughout our state.

QBS is endorsed by many national, state, and local design professional organizations as the preferred method of selection. Improving Alaska's QBS law will increase consistency in professional services procurement and raise our reputation as a fair and competitive state in which to do business.

Thank you sincerely for the important work you do for the people of Alaska.

Regards,

Catherine Fritz, AIA

c: Representative Justin Parish  
Senator Dennis Egan

## Tally Teal

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**From:** Ted Trueblood <tedtatnh@gmail.com>  
**Sent:** Wednesday, February 08, 2017 10:24 AM  
**To:** Sen. Cathy Giessel; Sen. Anna MacKinnon; Rep. Sam Kito; Rep. Lance Pruitt; Rep. Chris Birch  
**Cc:** Maynard, Colin; Tally Teal; Ted Trueblood  
**Subject:** Qualifications Based Selection for professional design services

I know you are all very busy right now, but I wanted to let you know how important HB 50 is to me and my fellow design professionals in Alaska. Qualifications Based Selection (QBS) of designers is a basic requirement in Federal and State contracting and HB passes this important tool down to the various recipients of State grants.

There are volumes of research literature which conclude that QBS consistently provides the best value to all concerned by giving the government clients the lowest over all cost on a project. Cost based selection of designers consistently results in designs which are less efficient in conserving construction costs and/or result in significantly increasing the frequency of change orders, either with the designer or the contractor or both.

I have known and professionally worked with Representative Kito for over twenty years (maybe more) and have always known him to be the consummate professional engineer. I hope you will support him in getting this important piece of legislation passed in this session.

Ted Trueblood P.E. (R)

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Ted Trueblood  
Rotary District Governor (2011-2012)  
District 5010 (Alaska, Yukon Canada, Siberia and Russian Far East)  
[tedtatnh@gmail.com](mailto:tedtatnh@gmail.com)  
907.339.4872

## Qualifications Based Selection of Professional Engineers

The American Society of Civil Engineers (ASCE) believes that the selection of Professional Engineers as prime consultants and subcontractors should be based on the qualifications of the engineering firm. Qualifications including education, training, experience, past-performance, capabilities, personnel and workloads should be evaluated when selecting an engineering firm.

Cost of engineering services, while important and meriting careful negotiations, is related to work to be performed which often is not clearly defined at the time the engineer is selected. Therefore, selecting consultants based on cost is not recommended.

Accordingly, ASCE supports qualifications-based selection (QBS) procedures such as those specified by the Brooks Architect-Engineers Act of 1972, 40 U.S.C. 1101 et seq., more than 40-mini Brooks Acts, and the American Bar Association's Model Procurement Code for State and Local Governments for the engagement of engineering services. ASCE recommends that the application of these procedures to the development of a scope of work and the selection, procurement and administration of contracts for engineering services be the responsibility of technically qualified staff of the project owner.

This position is established in [ASCE Policy Statement 304](#).

### Why It's Important to Civil Engineers:

Often a contracting entity "owner" may believe that the pivotal issue in the selection of a professional engineer is the cost of the necessary services. Also, an owner may perceive that accepting the low price to perform the work produces the project with the lowest total cost. In this case, the owner is of the belief that the required engineering services are completely described and the qualifications of all engineers are equal.

ASCE believes that it is impossible to completely describe the required scope of engineering services in this manner. When construction, operations, and maintenance are considered, the lowest cost engineering services generally will not produce the lowest total project costs. Further, ASCE believes that the owner should have an established policy for designating individuals to serve on the selection committee. The selection committee should contain at least one Professional Engineer and others who are familiar with the project requirements.

### Background:

The QBS procedure is characterized by three basic steps: (1) the owner selects the professional engineer believed best qualified to perform the required work without considering fee; (2) the owner and the selected professional engineer confer to determine and/or review the scope of work, including contract scheduling; and (3) a fee for engineering services is negotiated based upon the mutually developed scope of work. Thus, cost is addressed at the appropriate time after the scope of services has been fully defined. Pre-contract communication between the owner and engineer to jointly develop a scope of

work, as called for in step 2, is critical to the success of the project and ensures a mutual understanding of the owner's expectations for the work and the specific services the engineer will provide.

A poorly defined scope of services can result in numerous change orders. Lacking specifics, each firm may be compelled to, in order to be competitive, submit a price for the least amount of work reasonably envisioned. Detailed analysis of the problem and the search for innovative and sustainable solutions, or even the comparison of the obvious alternatives is precluded. This approach is likely to result in minimal engineering work that will not properly evaluate the overall cost of construction, operation, and maintenance of the project.

QBS procedures are most effective when administered by those who best understand the unique nature of the service being sought. The procurer's experience with engineering organizations and proposed services, coupled with appropriate training in procurement matters, provides the required knowledge, thereby enhancing the efficiency of the civil works process.

**State Activity:**

According to the American Council of Engineering Companies (ACEC), currently 47 states have some type of QBS law in place. In the current economic climate, some states have attempted to erode their QBS laws to allow for cost to be given priority consideration. During the 2011 legislative sessions, ASCE worked with Sections in Florida and Illinois to defeat proposals to weaken QBS. The Florida proposal would have allowed compensation to be a considering factor during the competitive selection process for architectural, engineering, and other professional services. In Illinois, a Senate proposal would have removed engineering services from the state's Qualifications-Based Selection Act and place those services within the Procurement Code for low bid selection. As states continue to face budget difficulties, it is likely additional states may consider these types of proposals in 2012.

# POLICY STATEMENT 304 - QUALIFICATIONS-BASED SELECTION OF PROFESSIONAL ENGINEERS

Approved by the Engineering Practice Policy Committee on March 17, 2016

Approved by the Public Policy Committee on May 13, 2016

Adopted by the Board of Direction on July 9, 2016

## POLICY

The American Society of Civil Engineers (ASCE) believes that the selection of Professional Engineers as prime consultants and subcontractors should be based on the qualifications of the engineering firm. Qualifications including education, training, experience, past-performance, capabilities, personnel and workloads should be evaluated when selecting an engineering firm.

Cost of engineering services, while important and meriting careful negotiations, is related to work to be performed which often is not clearly defined at the time the engineer is selected. Therefore, selecting consultants based on cost is not recommended.

ASCE supports qualifications-based selection (QBS) procedures such as those specified by the Brooks Architect-Engineers Act of 1972, 40 U.S.C. 1101 et seq., the numerous similar state and local laws, and the American Bar Association's Model Procurement Code for State and Local Governments for the engagement of engineering services. ASCE recommends that the application of these procedures to the development of a scope of work and the selection, procurement and administration of contracts for engineering services be the responsibility of technically qualified staff of the project owner.

## ISSUE

Often an owner may believe that the pivotal issue in the selection of a professional engineer is the cost of services. Also, an owner may perceive that accepting the low price to perform the services produces the project with the lowest total cost. In some instances, engineering services are essentially subject to bids based on the lowest offered fee, regardless of professional qualifications or anticipated services to be rendered.

Contrary to these beliefs, the relevant experience, ability and specific technical approaches of the proposing design professionals are far more important to the overall

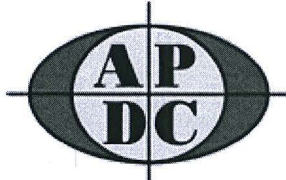
quality, utility and life-cycle cost of any project than is the initial engineering fee, which is invariably a relatively small percentage of the total project cost.

## RATIONALE

The QBS procedure is characterized by three basic steps: (1) the owner evaluates and selects the professional engineer based on demonstrated qualifications and experience in the required types of services without considering fee; (2) the owner and the selected professional engineer confer to determine and/or review the scope of work, including contract scheduling; and (3) a fee for engineering services is negotiated based upon the mutually developed scope of services. In the event a mutual agreement on scope of services and fee is not achieved, the owner may negotiate with the next most qualified professional. Thus, cost is addressed at the appropriate time after the scope of services has been fully defined.

The cost of engineering services, while important and meriting careful negotiations, is generally a relatively small percentage of the overall cost to plan, design, build, operate and maintain a project and may be related to work that is not clearly defined at the time the engineer is selected. Therefore, selecting consulting firm services based solely on cost is not recommended.

ASCE Policy Statement 304  
First Approved in 1985



Alaska Professional Design Council PO Box 241851 Anchorage AK 99524  
Legislative Liaison Committee Chair, Dale Nelson, PE (907) 947-1855

## LEGISLATIVE LIAISON COMMITTEE 2015 POSITION STATEMENT

### MEMBER SOCIETIES

Alaska Society of Professional Engineers

Alaska Society of Professional Land Surveyors

American Institute of Architects Alaska Chapter

American Society of Civil Engineers Alaska Section

American Society of Landscape Architects Alaska Chapter

American Council of Engineering Companies of Alaska

American Society of Interior Designers

Structural Engineers Association of Alaska

The Alaska Professional Design Council (APDC) is a consortium of professional societies representing design professionals including architects, engineers, land surveyors, landscape architects and interior designers. We have a combined membership of over 1,500 and represent approximately 5,000 licensed design professionals. APDC collaborates on issues of shared interest through educational offerings and governmental advocacy. We are deeply rooted in the business of architecture and engineering, and committed to the long term health and vitality of our state.

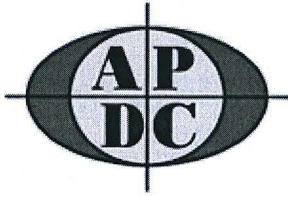
One component of APDC is the Legislative Liaison Committee (LLC), a standing committee that actively works with Alaska State Legislators concerning legislation affecting the design community and the protection of the health, safety and welfare of the public. APDC and the member societies foster the support, growth and development of programs that include mentoring programs in our communities, schools, and colleges that supports individual and organizations to advance their missions and goals.

APDC LLC also works closely with the Alaska State Board of Registration for Architects, Engineers, and Land Surveyors (AELS Board) to further the interests of the regulated design professions in keeping with the protection of the health, safety and welfare of the public.

The primary issues of concern to APDC LLC this legislative session are:

**Expand QBS to cover all recipients of state funds** – The State of Alaska currently requires (AS 36.30.270) that design professionals for state-funded public works projects be selected using Qualifications-Based Selection (QBS) criteria. This methodology has been used extensively by federal, state, and local governmental units for more than four decades. It results in the best qualified designer being selected for public projects. Alaska's QBS laws are ambiguous, and many of our political subdivisions utilize design fees, or cost, as a component of the selection process, which violates the fundamental premise of QBS.

Due to the complex nature of design projects, as well as fairness in public contracting, APDC strongly believes that it is in the public's interest to utilize QBS for all public projects. HB24 extends the existing state requirement to use QBS to political subdivisions receiving state funding for public works projects. Simultaneously, we are actively providing educational materials to municipal officials and agencies about QBS so as to educate public works staff on the details of competitive and robust QBS methods.



**University of Alaska Engineering Programs and Funding – Let's Finish What We Started** – APDC supports the state funding for education in the engineering and geomatics (surveying and mapping) programs at the University of Alaska. Funds have been provided for the Engineering Facilities at the University of Alaska, Anchorage and Fairbanks campuses. The UAA Engineering Facility has been fully funded to completion. The UAF Engineering Facility has not been fully funded and requires \$31.3 million to complete.

These new engineering facilities will provide the University of Alaska at both the Anchorage and Fairbanks campuses the opportunity to expand their programs to meet the needs for engineers in the Alaska workplace and to provide an environment to stay current with ever changing technology. "Let's Finish What We Started."

**Support capital funding for deferred maintenance and repair of Alaska's public infrastructure** – APDC LLC supports state funding for capital projects that decreases the level of deferred maintenance and contributes to the repair of public facilities. Further, we support the use of long-term sustainable building designs for both new and renovated public building projects that conserve energy resources and reduce operating costs.

**Support capital funding for Educational Facilities and Educational Programs** – APDC LLC supports state funding for school facility projects to address the needs of all students and educators. School facilities are a critical part of Alaska's educational system. Adequately funding the statewide needs as prioritized by the Alaska Department of Education and Early Development ensures that teachers and students will have the facilities they need to educate Alaska's children.

APDC and the member societies supports the K-12 STEM (Science Technology Engineering and Mathematics) activities in the class room and also the involvement of mentoring programs. APDC's member societies have various mentoring programs that being applied in Alaska. One such program is the involvement of engineering students from the University of Alaska, campuses of Fairbanks, Anchorage and Juneau, to take part in the APDC LLC Legislative Fly-In.



## LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature  
Division of Legal and Research Services  
State Capitol, Juneau, AK 99801

(907) 465-3991 phone  
(907) 465-3908 fax  
research@akleg.gov

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### Research Brief

TO: Representative Sam Kito  
FROM: Roger Withington, Legislative Analyst  
DATE: February 24, 2015  
RE: Municipalities and Communities Currently Using Qualification-Based Selection Processes in Contracting for Certain Professional Services  
*LRS Report 15.188*

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*You asked for information regarding the procurement practices of municipalities and communities in Alaska. Specifically, you asked us to determine which municipalities and communities in Alaska are currently using qualification-based selection (QBS) processes, or have QBS ordinances, for contracts for architectural, engineering, landscape architecture, and land surveying services.*

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Generally, Qualifications Based Selection (QBS) is a procurement method in which the final criteria for selection of a service are qualifications and demonstrated competence. Price and cost are not selection criteria, but they may be considered during contract negotiation.<sup>1</sup> We were unable to locate a comprehensive list of which municipalities and communities in Alaska currently use QBS in their procurement of architectural, engineering, landscape architecture, and land surveying services.<sup>2</sup> As a result, we searched various online municipal codes, or contacted communities via email, to determine which communities, if any, use such practices.

In Table 1, we identify eight municipalities—Aleutians East Borough, Municipality of Anchorage, Barrow, Bethel, Delta Junction, City of Fairbanks, Fairbanks North Star Borough, and the North Slope Borough—that, pursuant to municipal code, use QBS to procure professional services such as architectural, engineering, landscape architecture, and land surveying services. We also identified eleven communities that exclude the procurement of professional services from the competitive bid requirement set forth in municipal code; and the one community—Juneau—that does not have QBS requirements delineated in code but does use QBS in practice. Please note that this list is not exhaustive, and represents a sample of 20 communities. We attach each of the cited municipal codes.

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<sup>1</sup> Associated General Contractors of America, <https://www.agc.org/>.

<sup>2</sup> Neither Kathie Wasserman, Executive Director of the Alaska Municipal League (907-586-1325), nor Jason Soza, Chief Procurement Officer for the Alaska Department of Administration (907-465-5684), had the information we seek. Lawrence Blood, Acting Director of the Division of Community and Regional Affairs, Alaska Department of Commerce, Community, and Economic Development (907-465-4751), did not respond to our queries.

**Table 1: Municipalities and Communities that Use Qualifications Based Selection Criteria to Procure Certain Professional Services or Exclude the Procurement of Certain Professional Services from Competitive Bidding Requirements**

| Municipality or Community  | Citation   | Summary  |
|--|--|--|
| Aleutians East Borough   | Aleutians East Borough Municipal Code, §§ 3.02.010 and 3.02.150  | Qualification Based Selection                            |
| Municipality of Anchorage  | Anchorage Code of Ordinances, § 7.20.060                         | Qualification Based Selection                            |
| Barrow   | Barrow Municipal Code, § 4.16.100                                | Qualification Based Selection                            |
| Bethel   | Bethel Municipal Code, §§ 4.20.030 and 4.20.170                  | Qualification Based Selection                            |
| Delta Junction   | City of Delta Junction, Municipal Code of Ordinances, § 1.41.600 | Qualification Based Selection                            |
| Denali Borough   | Denali Borough Code, § 3.35.070                                  | Excluded from competitive bid requirement                |
| City of Fairbanks  | Fairbanks Code of Ordinances, § 54-207                           | Qualification Based Selection                            |
| Fairbanks North Star Borough   | Fairbanks North Star Borough Code, § 16.55.010                   | Qualification Based Selection                            |
| Gustavus   | Gustavus Code of Ordinances, § 4.17.050                          | Excluded from competitive bid requirement                |
| Haines   | Haines Borough Code, § 3.60.170                                  | Excluded from competitive bid requirement                |
| Homer  | Homer City Code, § 3.16.060                                      | Excluded from competitive bid requirement                |
| Houston  | Houston Municipal Code, §§ 4.10.010 and 4.10.100                 | Excluded from competitive bid requirement <sup>(a)</sup> |
| City and Borough of Juneau   | Not in code but done in practice <sup>(b)</sup>                  | Qualification Based Selection                            |
| City of Kenai  | Kenai Municipal Code, § 7.15.050                                 | Excluded from competitive bid requirement                |
| Kenai Peninsula Borough  | Kenai Peninsula Borough Code of Ordinances, § 5.28.250           | Excluded from competitive bid requirement                |
| Ketchikan Gateway Borough  | Ketchikan Gateway Borough Code, § 11.20.100                      | Excluded from competitive bid requirement                |
| Kodiak Island Borough  | Kodiak Island Borough Code, § 3.30.070                           | Excluded from competitive bid requirement                |
| Matanuska-Susitna Borough  | Matanuska-Susitna Borough Code, §§ 3.08.010 and 3.08.2010        | Excluded from competitive bid requirement                |
| North Slope Borough  | North Slope Borough Code of Ordinances, §§ 2.36.280 and 2.36.180 | Qualification Based Selection                            |
| City and Borough of Yakutat  | City and Borough of Yakutat Code of Ordinances, § 6.24.170       | Excluded from competitive bid requirement                |
| <b>Notes:</b> a) Applicable to contracts under \$20,001.<br>b) Rorie Watt, Director of Public Works/Engineering, City and Borough of Juneau, 907-586-0877. |  |  |

We hope this is helpful. If you have questions or need additional information, please let us know.



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February 8, 2016

House State Affairs Committee  
Alaska State Capitol  
Juneau, Alaska

RE: HB 50

Dear House State Affairs Committee Members,

The Alaska Municipal League has been opposed to this bill for many years. It appears to us to be a solution without a problem. Due to the fiscal circumstances of which we all find ourselves, additional "hoops" to jump through seem inefficient and ineffective.

We object to the State creating "rules" as to how individual municipalities select engineering firms for projects with State money. At this time, municipalities can use this selection process, if they so choose. We object to this becoming a requirement.

In speaking with the Engineers group supporting this bill, they stressed to us that when selecting engineers, it should not be "all about the money." Instead, it should be done by qualifications. That discussion held no weight a number of years ago and holds even less now. Municipalities have less and less money. Match money is a thing of the past. Of course it is all about the money! We would all LOVE to be able to select items of purchase based on quality. That is why there is often a K-Mart in the same vicinity as a Nordstrom. Perhaps a solution would be a fiscal plan that allowed municipalities to be able to plan and to see a return of funding sources to municipalities.

This bill requires additional work by municipalities and attempts to solve "municipal" problems that do not exist. If engineering firms are selected that are "below par," we would hope the open market would deal with those firms and in just as timely a manner as new legislation.

While many engineering firms may have the luxury of time to sit down and re-negotiate RFSSs, municipalities, especially small municipalities, do not have that luxury. Money is desperately short; staff is desperately short. Of ALL changes needed by municipalities, this has never made the top 100. If a municipality does wish to follow this process, they currently are able to do so.

Sincerely,

Kathie Wasserman