

BILLS 1981 - 1982
HB 153 cont. - CSHB 156

Leg. Finance

1467

1467

HOUSE JOURNAL

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The Honorable Jim Duncan
May 15, 1981

The bill has a general policy that a public official not take official action which he knows or has reason to know would affect him or others close to him, but does provide for procedure that would allow actions upon conflict within certain limitations, particularly where a full disclosure is made, or where the public official is not able to disqualify himself from acting and not able to provide for the assignment of the official action to a person not having a conflict of interest.

Section 3 of the committee substitute updates and somewhat expands the duties of the commission because of the additional obligations regarding the ethics commission. Many of the provisions are the same, however some have been changed and there are some new provisions.

In general the committee wanted to provide some of the managerial flexibility now enjoyed by the Human Rights Commission to the Alaska Public Offices Commission, and therefore requested the draftsman to provide for certain sections that would accomplish that.

The bill provides that the commission may issue advisory opinions as to whether there exists a conflict of interest in certain cases, and requires that they issue such opinions on the request of a public official or former public official. There are various safeguards requiring the advisory opinion to be issued quickly so that the public official will know how to act; if the advisory opinion is not issued within thirty days after the request the official can assume the circumstances do not describe a conflict of interest that would a violation of the law, unless material facts have been omitted or misstated in the original request.

In addition to the conflict of interest advisory opinions, there is a complaint procedure allowing a person to allege a violation of the law administered by the commission, particularly a violation of the new provisions in the committee substitute. It provides notice and opportunity to be heard on the part of the person against whom the complaint has been lodged and then allows the executive director to issue a "decision" indicating whether a probable violation has been found. The committee views this stage as parallel to a finding of "probable cause" by a grand jury investigating a crime. If the decision indicates a probable violation, the public official or former public official who is the subject of the complaint may request a hearing from the commission or alternatively comply with the decision on the direction of the executive director.

If the public official requests the determination from the commission a procedure is provided for hearing regarding that determination.

If the commission's determination is adverse to the public official and has found a serious violation that might justify removal from office, the commission refers the matter to the appropriate authority which un-

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der law may act to remove the public official from office; to the State Senate for impeachment proceedings; to the Governor for determination concerning a public official in the executive branch; to a presiding officer of the legislature or to both presiding officers concerning a legislator; to the chairman of the Board of Regents concerning an official in the University of Alaska; to the presiding officer of the governing body of a municipality regarding a public official in the municipality.

The bill anticipates that the Governor, Legislature, Chairman of the Board of Regents, or governing body of the municipality would accordingly take an action in response to the determination in such a manner as to constitute public information.

Other remedies provided for violation of the legislation include, where appropriate, the voiding of contracts with provisions for protecting the interests of innocent parties; recovery of compensation received by a person as a result of the violation of the provisions of the bill; appropriate civil penalties including civil fines; and, where there is an appointing authority, discipline, reprimand, probation, demotion, suspension or discharge of a public official.

The bill provides that the attorney general is legal counsel to the commission, unless the commission determines that the circumstances of the matter before the commission is such that special counsel should be appointed, in which case the chief justice acts to appoint special counsel. Such a procedure would be used, for instance, if the complaint constituted an allegation specifically against the attorney general or against the Governor or against an official in the Department of Law.

The bill provides an "out" for municipalities. That is, the legislature, in passing the bill would be expressing the view that a public official of a municipality should comply with the provisions of this bill or with a similar municipal ordinance. It provides a later effective date as to applications to public officials in the municipality, that is, July 1, 1982, unless the municipality adopts standards for its public officials and submits them to the APOC and there is a determination by the APOC that the standards are substantially similar to those in this legislation.

The last subsection of the bill indicates a policy decision for the legislature that the smaller municipalities need not provide as complex and detailed codes establishing standards of conduct in order to achieve a finding by the APOC that their standards are substantially similar to the standards of conduct in the legislation. Particularly, the last subsection provides that the APOC "shall consider the standards of conduct establishing the municipal code with reference to the size of the municipal government and recent budgets of the municipality, procedures

HOUSE JOURNAL

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adopted by the municipality for the regulation of fiscal procedures, and other matters submitted to the commission by the municipality."

In short, if the legislation passes the committee substitute or legislation substantially similar to it, it is not the policy of the legislature to overburden small municipalities with the requirement that they have expensive and detailed regulatory schemes for policing their public officials if they are indeed small municipalities with relatively simple concerns.

Since the preparation of the committee substitute there has been evidence of some concern about possible constitutional problems in the definition of a "member of household." The bill has certain proscriptions about benefiting the member of the household of a public official, and included in that definition is "a person who shares a common residence with the public official as though a spouse."

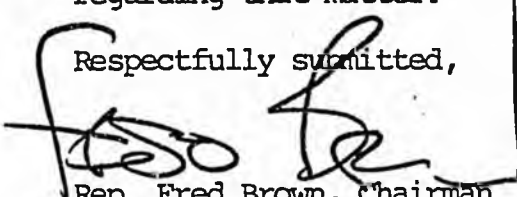
Arguments have been made that such a provision may be unconstitutional as an invasion of the right of privacy. Candidly, if the section were applied with no regard for the right of privacy of the public officials involved, it is possible that an application of the provision could be found unconstitutional. Your chairman believes that the provision is not unconstitutional on its face and that the appropriate state authorities including the commission should carefully avoid applications of it which might be found unconstitutional.

In simplest terms, if a public official is freely allowing his relationship with a person who resides with him to be common knowledge, and if it is a matter of common understanding in the community or among his business associates and friends that the person who resides with him is doing so "as though a spouse," then, your chairman believes, there would be no invasion of the right of privacy because any claimed right of privacy regarding that information would be waived by the conduct of the public official in making the matter general knowledge.

Mr. Speaker, in this day and age, it is not likely that such a matter would be kept a secret for long and therefore it appears that a possibility for unconstitutional application of the section would be rare.

Another letter accompanies this one regarding matters involving the fiscal note, along with a report from a Judiciary Committee subcommittee regarding that matter.

Respectfully submitted,



Rep. Fred Brown, Chairman
House Judiciary Committee



Alaska State Legislature

House of Representatives

Committee on Judiciary

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: May 15, 1981

TO: The Honorable Jim Duncan
Speaker of the House

The Honorable Sam Cotten, Chairman
House Finance Committee

FROM: Rep. Fred Brown, Chairman
House Judiciary Committee

RE: House Bill 153 Fiscal Note

* * * * *

Enclosed is commentary from a subcommittee of the Judiciary Committee who looked at the proposed fiscal note which relates to committee substitute for HB 153 (Judiciary).

In fact, because of the press of time, we worked from a fiscal note originally prepared for SSSB 175, which is similar legislation pending in the other body.

We understand that the fiscal note for the Judiciary Committee substitute for HB 153 will be substantially the same as the fiscal note prepared for SSSB 175.

That fiscal note should be coming to the Finance Committee very soon from the APOC, but our information is that the Finance Committee can rely upon the older fiscal note for the Senate legislation.

Please take into account the specific criticisms offered by my subcommittee. It does appear that the APOC may be seeking more through a fiscal note with this legislation than is justified as new expenditures caused specifically by the legislation.

FEB/dmm



Alaska State Legislature House of Representatives

POUCH V
JUNEAU, ALASKA 99811

TO: REPRESENTATIVE SAM COTTEN
CHAIRMAN, HOUSE FINANCE COMMITTEE

FROM: HOUSE JUDICIARY COMMITTEE

THRU: REPRESENTATIVES DON CLOCKSIN and RANDY PHILLIPS
MEMBERS, HOUSE JUDICIARY COMMITTEE

DATE: MAY 11, 1981

RE: GENERAL GOVERNMENT SUBCOMMITTEE BUDGET PROPOSAL, APOC
FISCAL NOTE FOR SSSB 175 and CSHB 153(Judiciary)

In reviewing the fiscal note for the above bill, it was noted that some items removed by the General Government Finance Subcommittee are being put back in.

Particular notice should be taken of the reclassification of positions. In considering this category, both the House and Senate subcommittees denied the funds for the reclassification of positions.

A direct comparison of the two budgets is as follows:

<u>FY '82</u> <u>SUBCOMMITTEE</u>		<u>FY '82</u> <u>SSSB 175</u>
Personal Services	264.0	555.3
Travel	36.8	120.5
Contractual	84.5	168.4
Commodities	6.5	11.6
Equipment	2.0	9.7
Total General Funds	393.8	865.5

In addition, the Subcommittee approved staff positions for six full-time positions (Executive Director, Assistant Director, Secretary I, Clerk V, Clerk III, Regulation Specialist II) and three part-time positions (Clerk III, Clerk IV, Research Analyst II). The fiscal note provides for thirteen full-time positions and three part-time positions.

While the Judiciary Committee does not object to the fiscal note as a fiscal note for the impact of the bill on the Commission, it respectfully requests the Finance Committee to examine the use of this type of fiscal note to a bill to add back in items that a subcommittee has deleted (the reclassification, for example).

cc: House Finance Committee Members

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for Senate Bill No. 175
 Title An Act relating to a standard of conduct for public officials and employees;
 Requested by Senators Fischer, Hohman, Stimson, Bradley, et al. Date April 21, 1981

II. FISCAL DETAIL

Agency Affected Department of Administration
 Program Category Affected Legislative and Elective Operations
 BRU, Program, or Subprogram(s) Affected Alaska Public Offices Commission
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		555.3	635.8	671.9		
200 TRAVEL		120.5	132.6	145.9		
300 CONTRACTUAL		168.4	185.2	203.7		
400 COMMODITIES		11.6	12.8	14.1		
500 EQUIPMENT		9.7	-	-		
600 LAND & STRUCTURES		-	-	-		
700 GRANTS, CLAIMS, ETC.		-	-	-		
TOTAL		865.5	966.4	1035.6		

FUNDING (Thousands of Dollars)

GENERAL FUND		865.5	966.4	1035.6		
FEDERAL FUNDS		-	-	-		
OTHER (Specify Fund Source)		-	-	-		

POSITIONS

FULL TIME		13	13	13		
PART TIME		3	3	3		
TEMPORARY			2			

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

PERSONAL SERVICES (including benefits) FY 82 Salary Schedule; 10% inflation factor projected

FY 82 APOC Request: 290,800
 -- 1 Executive Director, range 24, 12 ms
 -- 1 Assistant Director, range 21, 12 ms
 -- 1 Regulations Specialist, range 16, 12 ms
 -- 1 Administrative Assistant, range 14, 12 ms
 -- 1 Research Analyst, range 16, 8 ms
 -- 1 Secretary, range 10, 12 ms
 -- 2 Clerk IV's, range 9, 12 ms
 -- 1 Clerk III, range 8, 8 ms
 -- 1 Data Entry Clerk, range 9, 6 ms

IV. DATE May 5, 1981 PREPARED BY [Signature]
 AGENCY Alaska Public Offices Commission
 PHONE 276-4176

Original: Legislative Finance
 cc: Budget and Management
 Sponsor (First Legislator Named)

Gov. Office
Senator Fischer
Beth Spelling

Additional Funding, Ethic's Commission

-- Reclass Executive Director: 24A to 26A	6,405
-- Attorney, range 24, 12 ms	59,689
-- Reclass Assistant Director; 21A to 23A	6,753
-- Assistant Director; 23, 12ms	55,854
-- Regulations Specialist to Administrative Officer; 16A to 17A	2,400
-- 2 Investigators; range 17, 12 ms	75,436
-- Reclass Secretary: 10A to 12A	2,883
-- Reclass Clerk to Auditor: 9A to 12A	4,184
-- Reclass Clerk to Auditor: 9A to 12A	4,184
-- 2 Clerk IV's; range 9, 12ms	46,760
	<u>555,348</u>

TRAVEL - 10% inflation factor projected

FY 82 APOC Request	38,700
Additional Funding, Ethics Commission	
Staff Travel: 25 trips @ \$400/trip; 2 days each @ \$67/day	13,350
Convention: 1; 3 people @ \$1,000/ea; 5 days @ \$60/day	3,900
Commission Travel: 12 meetings per year 7 members x.12 @ \$400/trip (less FY 82 APOC Request)	26,000
7 members x 12 x 3 days @ \$67/day (less FY 82 APOC Request)	8,884
Non-Employee Travel	10,000
25 person @ \$400/trip	
Honorarium	
12 meetings @ 2 days each, 7 members @ 150/day (less FY 82 APOC Request level)	19,600
	<u>120,434</u>

CONTRACTUAL - 10% inflation factor projected

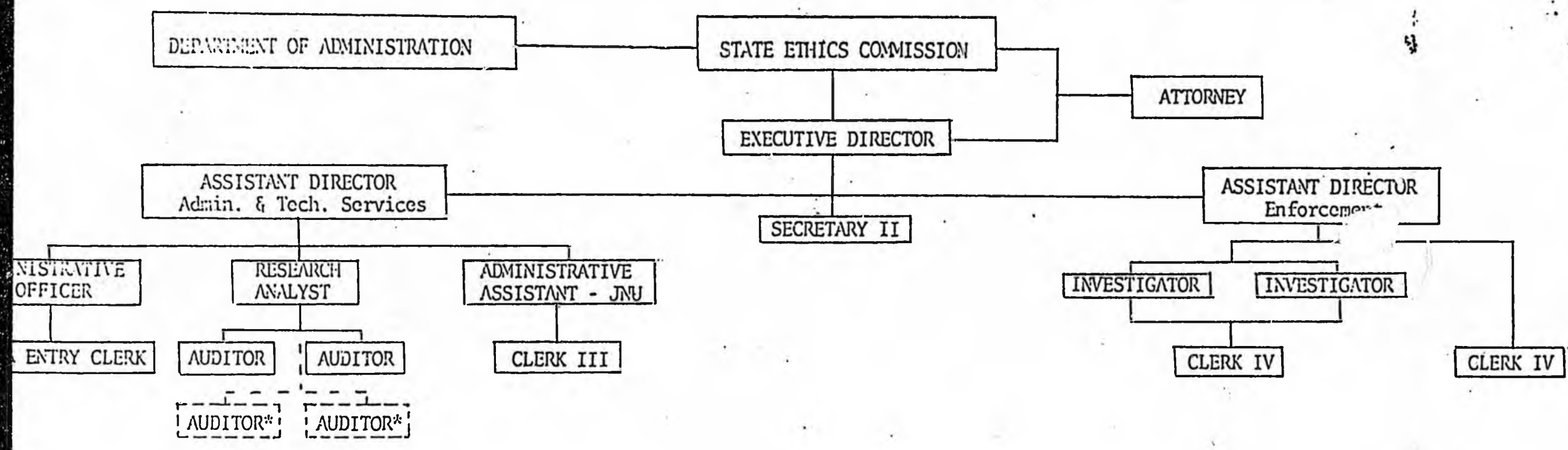
FY 82 APOC Request:	88,900
Additional Funding, Ethics Commission	
Communications	16,300
Printing and Advertising	10,800
Space Expense	16,200
Repair and Maintenance	6,000
Equipment Rental - word processing	14,600
Witness fees	600
Municipal Contracts (service & instruction)	15,000
	<u>168,400</u>

COMMODITIES - 10% inflation factor projected

FY 82 APOC Request:	6,800
Additional Funding, Ethics Commission	
Misc. Supplies	4,800
	<u>11,600</u>

EQUIPMENT - 10% inflation factor projected

FY 82 APOC Request:	2,100
Additional Funding, Ethics Commission	
6 desks	2,276
6 chairs	903
8 side chairs	698
4 tables	660
2 credenzas	706
6 file cabinets	1,221
3 calculators	822
1 bookcase	103
1 storage cabinet	185
	<u>9,074</u>



STATE ETHICS COMMISSION
ORGANIZATIONAL CHART

itions required during
to election years only

POSITION TITLE Assistant Director				RANGE/STEP 23 A	BARG. UNIT. X	LOCATION Anchorage	GOV	APPROV.	DISAPP.		
TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12	PAGE/LINE	LEG				
TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: This person would be one of two Assistant Directors reporting to the Executive Director of the Commission. The existing Assistant Director in the Commission's budget would be responsible for Administrative and Technical Services; the new position request is for an Assistant Director for Enforcement. The essential responsibility of this person would be to handle investigations which were necessary either as a result of audits conducted by Commission staff or in response to complaints filed by the public. Routine auditing of reports filed under all of the laws administered by the Commission would be handled by the staff in the Administrative and Technical Services division; in-depth investigations, including field audits, necessitated by complaints would be the responsibility of the Enforcement division. This division also would be responsible for presenting the investigation results to the Commission during the hearing process in order that the Commission could determine whether a violation had occurred and whether referral to the Attorney General was warranted.						
1			2							3	
PERSONAL SERVICES:											
SALARY			44,952								
BENEFITS			7,098								
FICA			2,004								
HEALTH INS.			1,800								
TOTAL PERSONAL SERVICES			01							55,854	
TRAVEL			02							12,300	
CONTRACTUAL			03							10,200	
COMMODITIES			04							800	
EQUIPMENT			05							1,300	
OTHER											
TOTAL COST										80,454	
CODE	FUNDING SOURCE										
	FED RCPTS. 1002										
	GF MATCH. 1003										
	GEN. FUND 1004				80,454						
	I-A RCPTS. 1005										
	PGM RCPTS 1028										
	OTHER										
CONTINUATION											
ADDITION											
KEY NUMBER			COLUMN No.								

AGENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

FY 82

POSITION TITLE Attorney				RANGE/STEP 24 A	BARG. UNIT. X	LOCATION Anchorage	GOV.	ARCHOV.	DISAPP.
TYPE OF POSITION PT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12	PAGE/LINE	LEG.		

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES:		
SALARY	48,264	
BENEFITS	7,621	
FICA	2,004	
HEALTH INS.	1,800	
TOTAL PERSONAL SERVICES	01	59,689
TRAVEL	02	12,300
CONTRACTUAL	03	10,300
COMMODITIES	04	800
EQUIPMENT	05	1,300
OTHER		
TOTAL COST		84,389

JUSTIFICATION:

The major function of this position is the preparation of Advisory Opinions which the Commission would be required to issue to those subject to the Ethics Law who sought direction concerning their requirements in order to be considered in compliance. Such advisory opinions require the services of an attorney who is knowledgeable in both the Ethics Law and in business/financial matters as well. Under the Ethics Law, those subject to it or those contemplating a position under it will need to be advised concerning the potential and actual conflicts between their financial matters and their position in government. In some cases it may be necessary to recommend disposal of particular holdings; in others, some form of blind trust may be sufficient. The Commission's response to such requests are binding and, hence, must be timely, accurate and precise -- the services of an attorney "in-house" will be required to assure such. There are approximately 525 state officials who are subject to the present Conflict of Interest Law, AS 39.50. About the same number would be subject to this ethics legislation and, therefore, the workload dictates the full-time services of an attorney.

CODE	FUNDING SOURCE	
	FED RCPTS. 1002	
	GF MATCH. 1003	
	GEN. FUND 1004	84,389
	I-A RCPTS. 1005	
	PGM RCPTS 1028	
	OTHER	

CONTINUATION	
ADDITION	

FOI BGM USE ONLY

KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

FY 82

POSITION TITLE Investigator				RANGE/STEP 17 A	DARG. UNIT. X	LOCATION Anchorage	GOV	APPROV	DISAPP.
TYPE OF POSITION PPT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12	PAGE/LINE	LEG		

1	TYPE OF EXPENDITURE	2	AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
5	SALARY	29,460	
6	BENEFITS	4,652	
7	FICA	1,806	
7	HEALTH INS.	1,800	
8	TOTAL PERSONAL SERVICES	01	37,718
9	TRAVEL	02	18,400
10	CONTRACTUAL	03	10,200
11	COMMODITIES	04	800
12	EQUIPMENT	05	1,300
13	OTHER		
14	TOTAL COST		64,418

JUSTIFICATION:

This full-time position is vital if the proposed State Ethics Commission is to fulfill the enforcement provisions inherent in the legislation. Without adequate investigative staffing, the intent of any ethics legislation would be severely undermined. The person filling this position would report to the Executive Director, the Assistant Director for Enforcement and the Attorney, as necessary. He or she would investigate complaints filed by the public and perform other investigations required by the Commission. While it is anticipated that the majority of the investigative work would stem from enactment of the ethics bill, this person also would perform investigations relative to the Campaign Disclosure Law and the Regulation of Lobbying Law.

	CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	64,418
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION		
22	ADDITION		

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KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM Legislative & Elective Operations

DRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

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REVISED DATE _____

13 REQUEST FOR NEW POSITION

FY 82

1	POSITION TITLE Investigator			RANGE/STEP 17 A.	BARG. UNIT. X	LOCATION Anchorage	GOV	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:									
	1	2	3												
4	PERSONAL SERVICES:			This full-time position is vital if the proposed State Ethics Commission is to fulfill the enforcement provisions inherent in the legislation. Without adequate investigative staffing, the intent of any ethics legislation would be severely undermined. The person filling this position would report to the Executive Director, the Assistant Director for Enforcement and the Attorney, as necessary. He or she would investigate complaints filed by the public and perform other investigations required by the Commission. While it is anticipated that the majority of the investigative work would stem from enactment of the ethics bill, this person also would perform investigations relative to the Campaign Disclosure Law and the Regulation of Lobbying Law.											
	SALARY		29,460												
5	BENEFITS		4,652												
6	FICA		1,806												
7	HEALTH INS.		1,800												
8	TOTAL PERSONAL SERVICES		01							37,718					
9	TRAVEL		02							18,400					
10	CONTRACTUAL		03							10,200					
11	COMMODITIES		04							800					
12	EQUIPMENT		05							1,300					
13	OTHER														
14	TOTAL COST									64,418					
	CODE	FUNDING SOURCE													
15		FED RCPTS. 1002													
16		GF MATCH. 1003													
17		GEN. FUND 1004		64,418											
18		I-A RCPTS 1005													
19		PGM RCPTS 1028													
20		OTHER													
21	CONTINUATION		FOR BGM USE ONLY												
22	ADDITION														
AA KEY NUMBER _____ COLUMN NO _____															

AGENCY Administration

PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

FY 82

POSITION TITLE Clerk IV				RANGE/STEP 9 A	BARG. UNIT. X	LOCATION Anchorage	GOV	APPROV.	DISAPP.
TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12	PAGE/LINE	LEG		

TYPE OF EXPENDITURE		AMOUNT -	
1	2	3	
PERSONAL SERVICES:			
SALARY	17,700		
BENEFITS	2,795		
FICA	1,085		
HEALTH INS.	1,800		
TOTAL PERSONAL SERVICES	01	23,380	
TRAVEL	02		
CONTRACTUAL	03	6,100	
COMMODITIES	04	800	
EQUIPMENT	05	1,200	
OTHER			
TOTAL COST		31,480	

JUSTIFICATION:

This full-time clerk position would function as support staff for the two Investigator positions. This position also would perform clerical functions for the Attorney as necessary. The person filling this position would utilize the word processing equipment for typing correspondence, investigative reports and recommendations, and advisory opinions. Filing and other clerical skills would be necessary.

CODE	FUNDING SOURCE	
5	FED RCPTS. 1002	
6	GF MATCH. 1003	
7	GEN. FUND 1004	31,480
11	I-A RCPTS. 1005	
12	PGM RCPTS 1028	
13	OTHER	
14	CONTINUATION	
15	ADDITION	

FOR BGM USE ONLY

KEY NUMBER COLUMN NO.

AGENCY Administration PROGRAM Legislative & Elective Operations

BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW POSITION

FY 82

POSITION TITLE Clerk IV				RANGE/STEP 9 A	BARG. UNIT. X	LOCATION Anchorage	GOV	APPROV.	DISAPP.
TYPE OF POSITION PPT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1		FORM 12 PAGE/LINE	LEG		

TYPE OF EXPENDITURE	AMOUNT
1	2
PERSONAL SERVICES:	
SALARY	17,700
BENEFITS	2,795
FICA	1,085
HEALTH INS.	1,800
TOTAL PERSONAL SERVICES	23,380
TRAVEL	
CONTRACTUAL	6,100
COMMODITIES	800
EQUIPMENT	1,200
OTHER	
TOTAL COST	31,480

JUSTIFICATION:

This full-time clerk position would serve as direct support staff to the Assistant Director for Enforcement and the Attorney, as necessary. The person filling this position would utilize the word processing equipment for typing reports, findings, memoranda, and correspondence. This person also would be required to be able to retrieve information stored in the word processor's records management system. Filing and other clerical skills would be necessary.

CODE	FUNDING SOURCE
	FED RCPTS. 1002
	GF MATCH. 1003
	GEN. FUND 1004
	I-A RCPTS. 1005
	PGM RCPTS 1028
	OTHER

CONTINUATION	
ADDITION	

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KEY NUMBER _____ COLUMN NO. _____

ENCY Administration PROGRAM Legislative & Elective Operations

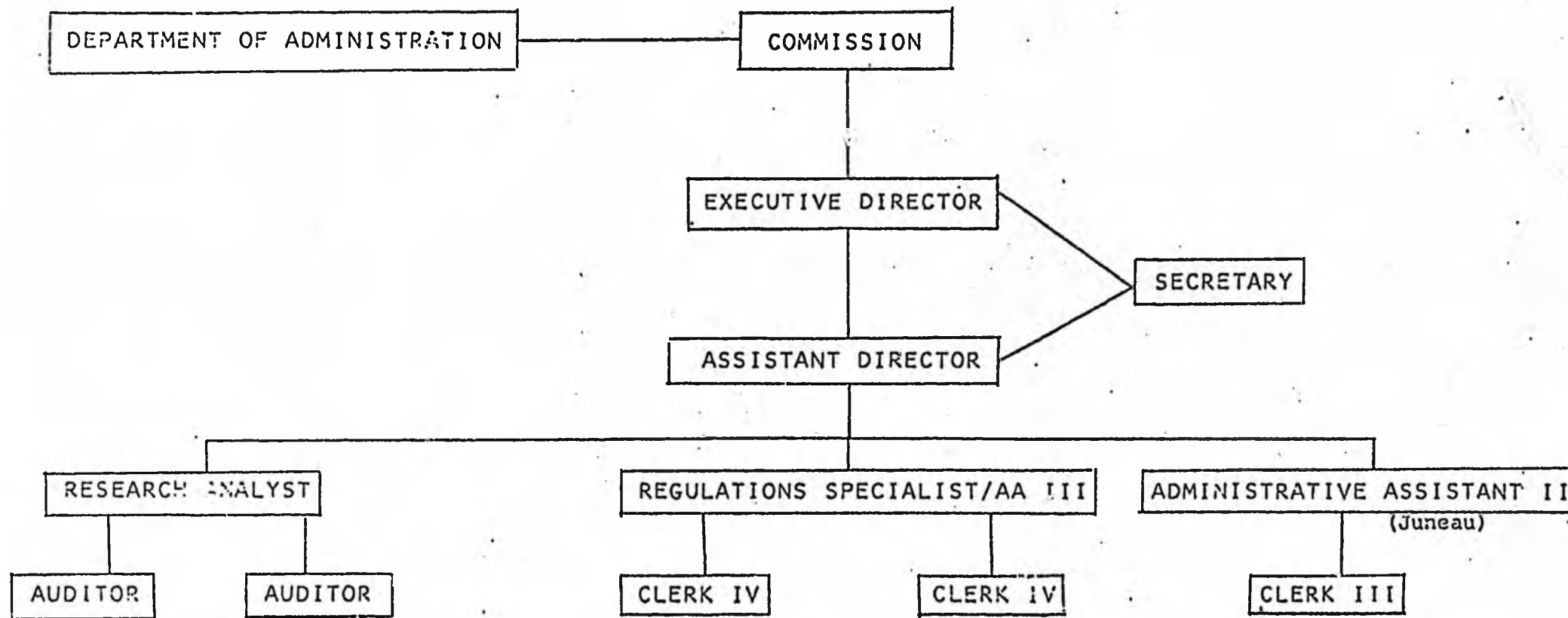
BRU Alaska Public Offices Commission

COMPONENT Alaska Public Offices Commission

13 REQUEST FOR NEW
POSITION

FY 82

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ALASKA PUBLIC OFFICES COMMISSION
ORGANIZATIONAL CHART

COMMITTEE REPORT
SENATE

3/18/82

FURTHER: None

Date: 4/13/82

Mr. President:

The Committee on FINANCE has had SA CSIR 254 (Pulse)

~~Financial Disclosure~~

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS HB 154 (112) same title
 new title
- and recommends no recommendation
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

4/6/82

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 154 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial disclosure; and providing
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 39.50.020(a) is amended to read:

10 (a) A judicial officer, commissioner, chairman or member of a
11 state commission or board specified in AS 39.50.200(b), person hired or
12 appointed as head or deputy head of, or director of a division within, a
13 department in the executive branch, person appointed as assistant to the
14 governor, and a municipal officer, shall file a statement giving [HIS]
15 income sources and business interests, under oath and on penalty of
16 perjury, within 30 days after taking [HE TAKES] office as a public
17 official. An individual who files a declaration of candidacy or a nom-
18 inating petition or who becomes a candidate by any other means for state
19 elective office between January 1 and April 15 shall file the statement
20 no later than April 15. An individual who becomes a candidate [CANDI-
21 DATES] for state elective office after April 15 shall file the [SUCH A]
22 statement at the time of filing a declaration of candidacy or within 30
23 days of the filing of a [ANY] nominating petition, or within 30 days of
24 becoming a candidate by any other means. If an individual files or
25 becomes a candidate for state elective office during a calendar year
26 other than the year in which the election is held, the individual shall
27 file an updated statement on or before April 15 of each succeeding year
28 that the individual remains a candidate. Candidates for elective municip-
29 al office shall file the [SUCH A] statement at the time of filing a

1 nominating petition, declaration of candidacy, or other required filing
2 for the elective municipal office. A public official who has a current
3 statement on file with the commission who files for state elective office
4 is not required to file a statement at the time the public official
5 becomes a candidate. A municipal officer who has a current statement
6 on file with the municipality who files for state elective office shall
7 file a copy of the statement with the commission. Refusal or failure to
8 file within the time prescribed shall require that the candidate's
9 filing fees, if any, and filing for office be refused or that the candi-
10 date's [HIS] previously accepted filing fee be returned and the [HIS]
11 name of the candidate be removed from the filing records. A statement
12 shall also be filed by public officials no later than April 15 [OR 15
13 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each
14 following year [, WHICHEVER SHALL COME FIRST]. Persons who are [, ON OR
15 AFTER DECEMBER 11, 1974, WERE] members of boards or commissions not
16 named in AS 39.50.200(b) are not required to file financial statements.

17 * Sec. 2. AS 39.50.030(a) is repealed and reenacted to read:

18 (a) Each statement shall be an accurate representation of the
19 financial affairs of the public official or candidate and shall contain
20 the information specified in this section concerning each member of the
21 family of the public official or candidate to the extent that the in-
22 formation is ascertainable by the public official or candidate. House-
23 hold goods and personal effects need not be identified.

24 * Sec. 3. AS 39.50.030(b) is amended to read:

25 (b) Each statement filed by a public official or candidate under
26 this chapter shall include:

27 (1) the source of all income over \$5,000 [\$100], including
28 capital gains, whether or not taxable, received by the public official
29 or candidate [HIM] or by the [HIS] spouse or dependent child of the

1 public official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS
2 LIVING WITH HIM,] during the preceding calendar year;

3 (2) the identity, by name and address, of each business in
4 which the public official or candidate [HE] or the [HIS] spouse or
5 dependent child of the public official or candidate [HIS OR NONDEPENDENT
6 CHILD OF HIS WHO IS LIVING WITH HIM] was a stockholder, owner, officer,
7 director, partner, proprietor, or employee during the preceding calendar
8 year;

9 (3) the identity and nature of each interest owned by the
10 public official or candidate [HIM] or the [HIS] spouse or dependent
11 child of the public official or candidate [HIS OR NONDEPENDENT CHILD OF
12 HIS WHO IS LIVING WITH HIM,] in any business during the preceding calen-
13 dar year;

14 (4) the identity and nature of each interest in real property,
15 including an option to buy, owned by the public official or candidate
16 [HIM] or by the [HIS] spouse or dependent child of the public official
17 or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,
18 AT ANY TIME] during the preceding calendar year;

19 (5) the identity of each trust or other fiduciary relation in
20 which the public official or candidate [HE] or the [HIS] spouse or
21 dependent child of the public official or candidate [HIS OR NONDEPENDENT
22 CHILD OF HIS WHO IS LIVING WITH HIM,] held a beneficial interest during
23 the preceding calendar year, a description and identification of the
24 property contained in each trust or relation, and the nature and extent
25 of the beneficial interest in it;

26 (6) any loan or loan guarantee over \$5,000 made to the public
27 official or candidate [HIM] or the [HIS] spouse or dependent child of the
28 public official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS
29 LIVING WITH HIM,] and the identity of the maker of the loan or loan

1 guarantor and the identity of each creditor to whom the public official
2 or candidate [HE] or the [HIS] spouse or dependent child of the public
3 official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING
4 WITH HIM] owed over \$5,000 [\$500 OR MORE];

5 (7) a list of all contracts and offers to contract with the
6 state, or an instrumentality of the state, during the preceding calendar
7 year, held, bid or offered by the public official or candidate, the
8 [HIM; HIS] spouse or [,] dependent child of the public official or can-
9 didate [HIS] or the nondependent child [OF HIS] who is living with
10 the public official or candidate, the [HIM, HIS] mother or father of the
11 public official or candidate, or a partnership or professional corpora-
12 tion of which the public official or candidate [HE] is a member, or a
13 corporation in which the public official or candidate [HE] or the [HIS]
14 spouse or [HIS] children of the public official or candidate, or a
15 combination of them, hold a controlling interest; and

16 (8) a list of all mineral, timber, oil, or any other natural
17 resource lease held, or lease offer made, during the preceding calendar
18 year by the public official or candidate, ^{the} spouse or [HIM, A] dependent
19 child of the public official or candidate [HIS] or the nondependent
20 child living with the public official or candidate, the [OF HIS WHO IS
21 LIVING WITH HIM, HIS] mother or father of the public official or candi-
22 date, or a partnership or professional corporation of which the public
23 official or candidate [HE] is a member, or a corporation in which the
24 public official or candidate [HE] or the [HIS] spouse or the [HIS]
25 children of the public official or candidate, or a combination of them,
26 hold a controlling interest;

27 (9) any other asset or liability valued at over \$5,000.

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2 AS 08.32, AS 08.36, AS 08.64, AS 08.68, AS 08.71, AS 08.72, AS 08.80,
3 AS 08.84, or AS 08.86 is not required to report the name of a person who
4 is a patient, client, or customer of the public official or candidate or
5 a patient, client, or customer of an entity that is a source of income
6 to the public official or candidate.

7 (e) A gift from a spouse, child, mother or father, brother or
8 sister, grandparent, or grandchild does not need to be reported under
9 this section.

10 * Sec. 5. AS 39.50.200(a)(6) is amended to read:

11 (6) "municipal officer" includes a borough or city mayor,
12 borough assemblyman, city councilman, school board member, elected
13 utility board member, city or borough manager, charter commission member,
14 members of a city or borough planning or zoning commission within a home
15 rule or general law city or borough, including but not limited to a
16 unified municipality under AS 29.68;

17 * Sec. 6. AS 39.50.200(a) is amended by adding a new paragraph to read:

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20 member, elected utility board member, city or borough manager, charter
21 commission member, city or borough planning or zoning commission member
22 within a home rule or general law city or borough, including but not
23 limited to a unified municipality under AS 29.68.

24 * Sec. 7. AS 39.50.030(d) added by sec. 4 of this Act is retroactive to
25 January 1, 1982.

26 * Sec. 8. Sections 1 - 3 of this Act take effect January 1, 1983.

27 * Sec. 9. Sections 5 - 6 of this Act take effect July 1, 1982.

28 * Sec. 10. Sections 4 and 7 of this Act take effect immediately in accor-
29 dance with AS 01.10.070(c).

Bradley

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 154 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial disclosure; and providing
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 39.50.020(a) is amended to read:

10 (a) A judicial officer, commissioner, chairman or member of a
11 state commission or board specified in AS 39.50.200(b), person hired or
12 appointed as head or deputy head of, or director of a division within, a
13 department in the executive branch, person appointed as assistant to the
14 governor, and a municipal officer, shall file a statement giving [HIS]
15 income sources and business interests, under oath and on penalty of
16 perjury, within 30 days after taking [HE TAKES] office as a public
17 official. An individual who files a declaration of candidacy or a nom-
18 inating petition or who becomes a candidate by any other means for state
19 elective office between January 1 and April 15 shall file the statement
20 no later than April 15. An individual who becomes a candidate [CANDI-
21 DATES] for state elective office after April 15 shall file the [SUCH A]
22 statement at the time of filing a declaration of candidacy or within 30
23 days of the filing of a [ANY] nominating petition, or within 30 days of
24 becoming a candidate by any other means. If an individual files or
25 becomes a candidate for state elective office during a calendar year
26 other than the year in which the election is held, the individual shall
27 file an updated statement on or before April 15 of each succeeding year
28 that the individual remains a candidate. Candidates for elective municip-
29 al office shall file the [SUCH A] statement at the time of filing a

1 nominating petition, declaration of candidacy, or other required filing
2 for the elective municipal office. A public official who has a current
3 statement on file with the commission who files for state elective office
4 is not required to file a statement at the time the public official
5 becomes a candidate. A municipal officer who has a current statement
6 on file with the municipality who files for state elective office shall
7 file a copy of the statement with the commission. Refusal or failure to
8 file within the time prescribed shall require that the candidate's
9 filing fees, if any, and filing for office be refused or that the candi-
10 date's [HIS] previously accepted filing fee be returned and the [HIS]
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5 dependent child of the public official or candidate [HIS OR NONDEPENDENT
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7 director, partner, proprietor, or employee during the preceding calendar
8 year;

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17 or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,
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21 dependent child of the public official or candidate [HIS OR NONDEPENDENT
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25 of the beneficial interest in it;

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8 [HIM, HIS] spouse or [,] dependent child of the public official or candi-
9 date [HIS] or the nondependent child [OF HIS] who is living with
10 the public official or candidate, the [HIM, HIS] mother or father of the
11 public official or candidate, or a partnership or professional corpora-
12 tion of which the public official or candidate [HE] is a member, or a
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14 spouse or [HIS] children of the public official or candidate, or a
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17 resource lease held, or lease offer made, during the preceding calendar
18 year: by the public official or candidate, the spouse or [HIM, A] depen-
19 dent child of the public official or candidate [HIS] or the nondependent
20 child living with the public official or candidate, the [OF HIS WHO IS
21 LIVING WITH HIM, HIS] mother or father of the public official or candi-
22 date, or a partnership or professional corporation of which the public
23 official or candidate [HE] is a member, or a corporation in which the
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6 to the public official or candidate.

7 (e) A gift from a spouse, child, mother or father, brother or
8 sister, grandparent, or grandchild does not need to be reported under
9 this section.

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21 commission member, city or borough planning or zoning commission member
22 within a home rule or general law city or borough, including but not
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24 * Sec. 7. AS 39.50.030(d) added by sec. 4 of this Act is retroactive to
25 January 1, 1982.

26 * Sec. 8. Sections 1 - 3 of this Act take effect January 1, 1983.

27 * Sec. 9. Sections 5 - 6 of this Act take effect July 1, 1982.

28 * Sec. 10. Sections 4 and 7 of this Act take effect immediately in accor-
29 dance with AS 01.10.070(c).

4/12/82

HOUSE BILL 154 (An Act relating to financial disclosure; and providing for an effective date)

- 02-13-81 Introduced by House Rules Committee
Referred to House State Affairs committee
- 03-23-81 Reported out of House State Affairs committee as Committee Substitute with 5 'do pass' recommendations
Original bills expands on list of information to be included in conflict of interest statement filed by a public official or candidate for elective offices
Adds requirement in Committee Substitute that public official or candidate report name of contractor or vendor who does business with the State, or an employee of the state who is a partner, officer, or director of a corporation in which the public official or candidate is a partner, officer, director; or employee
- 04-01-81 House State Affairs Committee Substitute was adopted by House. The Committee Substitute along with a series of amendments was re-committed to the House Rules Committee for further deliberation
- 04-27-81 House Rules Committee reported bill back and recommended it be replaced with 2nd CSHB 154 (Rules) with 6 'do pass' and 1 'no rec' (Phillips). 2nd CS incorporated the pending amendments from 4/1/81
The substitute makes technical changes and adds language stating a public official or candidate must disclose the name of a person from whom he received a gift of cash in excess of \$100. Also states a gift from a grandparent or grandchild does not need to be reported. Added a new section - Conflict of Interest.....contents of statement - see Section 1(a). Adds new Section 4 - see page 2, lines 27-29. Revises effective date to January 1, 1982.
- 04-28-81 House adopted 2nd Committee Substitute(Rules) and passed the House 22-15-3 with an effective clause. Reconsideration notice was served.
- 04-29-81 Reconsideration was not taken up.
- 04-30-81 2nd CSHB 154(Rules) received by Senate
Referred to Senate State Affairs and Finance committees

03-18-82 State Affairs reported bill out as a Senate Committee Substitute with 4 'do pass' recommendations

Senate State Affairs Committee Substitute does not include the same provision as passed by the House. Section 1 and 2 are excluded. Section 4 of the Substitute is the same as Section 3 of the House version. Added are new sections which state that a campaign contribution reported by a public official or candidate under the statutes governing State Election Campaigns need not be reported under the area covering Conflict of Interest Laws. Also adds that a gift from an immediate family member (ie spouse, child, mother or father, brother or sister, grandparent or grandchild) need not be reported.

Adds new section amending the Report of Financial and Business Interests requiring candidates and certain public officials to file a conflict of interest statement giving his income sources and business interests. The Committee Substitute (SA) requires candidates who file for office between January 1 and April 15 to turn in the report by April 15. Currently candidates are required to file the statement within 30 days of filing for office. Candidates who declare after April 15 would be required to submit statements within 30 days. Underlined language can be found in Section 1(a), lines 24-28 and reads: "If an individual files or becomes a candidate for state elective office during a calendar year other than the year in which the election is held, the individual shall file an updated statement on or before April 15 of each succeeding year that the individual remains a candidate". Also adds on page 2, lines 2-7: "A public official who has a current statement on file with the commission who files for state elective office is not required to file a statement at the time the public official becomes a candidate. A municipal officer who has a current statement on file with the municipality who files for state elective office shall file a copy of the statement with the commission."

Amends provisions relating to deadline for filing of yearly statement by public officials - to require public officials to submit the statement by April 15. Currently official is required to submit a yearly statement by April 15 [or 15 days after the person files his federal income tax return].

Major changes in new State Affairs version is to eliminate provision stating that assets or liabilities under \$500 need not be reported. Also adds new section that would require public officials and candidates to report the source of all income over \$5000 (currently \$100) and adds that public employees and candidates must report any other asset or liability valued at over \$5000. Also requires the reporting of loans or loan guarantees over \$5000 (currently all must be reported) and amounts owed over \$5000 (currently \$500).

HB 154 - cont.
Page Three

Amends section to eliminate requirement that public officials and candidates provide certain information on the business and financial interests of a nondependent child living with the candidate or public official.

Amends the definition of "municipal officer" to include charter commission member (would be required to file statements).

Expands the definition of "elective municipal office" to encompass the office of borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, charter commission member, city or borough planning or zoning commission member within a home rule or general law city or borough including but not limited to a unified municipality as outlined by statute.

Contains two effective date clauses.

4/13/82

CSHB 154(SA)

Proposed Senate Finance Committee Substitute (SCS HB 154(Fin).....

Replaces Section 4(a) with the following new language:

Exempts medical practices from financial disclosure requirements. The following would not be required to disclose the name of a person who is a patient or a patient of an entity which is a source of income to him.....

Chiropractors (08.20)

Dental Hygienists (08.32)

Dentistry (08.36)

Medicine (08.64)

Nursing (08.68)

Dispensing Opticians (08.71)

Optometry (08.72)

Pharmacy (08.80)

Physical Therapists (08.84)

and

Psychologists and Psychological Associates (08.86)

Provides this section become effective immediately.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 6, 1982

SUBJECT: Financial disclosure amendments
(SCS CSHB 154 (Finance))

TO: Senator Don Bennett
Senator M. E. Dankworth
Co-Chairmen, Senate Finance Committee

FROM: Richard A. Bradley
Legislative Counsel 

The bill as requested is enclosed.

Please note that I have changed the effective date formulation from that requested. Sec. 4 of the bill is made retroactive to January 1, 1982. Secs. 4 and 7 of the bill are then made effective immediately. This is a more effective answer to the question of when Sec. 4 should take effect; this amendment eliminates the need to report information for the entire 1982 reporting year for reports due in 1983.

These changes do not affect the effective dates scheduled for Secs. 1 - 3 and 5 - 6.

In the State Affairs Committee substitute prepared earlier, I advised the committee that I had some reservations about various portions of the bill; the executive director of the commission has responded with advice that seems to allay our concerns about our first reservation and she has suggested a change to AS 39.50.030(b)(8) at page 4, line 18, of the State Affairs Committee substitute. See the letter from the commission dated March 31st, copy attached.

Because it clearly removes an ambiguity, I have put the change into the bill.

Senator Don Bennett
Senator M. E. Dankworth
Page 2
April 6, 1982

The third difficulty I suggested, that AS 39.50.030(b)(9), page 4, line 27, was incomplete, remains unchanged. While I could certainly offer language, it is clear that any language that I offered would represent a policy change to the bill. I have no idea what "other assets or liabilities valued at over \$5,000" should be reported. I do disagree with a premise that seems implicit in Ms. Pittman's comments that all that is picked up by the section may be licenses or permits. It seems much broader than that, essentially an "everything else" requirement, especially to the extent that the item is valued at more than \$5,000.

But the question should be addressed.

If I may assist further, please advise.

RAB:ljb

Enclosures

STATE OF ALASKA

ALASKA PUBLIC OFFICES COMMISSION

JAY S. HAMMOND, GOVERNOR

REPLY TO:

- 610 C STREET, SUITE 211
ANCHORAGE, ALASKA 98501-3598
(907) 276-4176
- JUNEAU BRANCH OFFICE
POUCH CO
JUNEAU, ALASKA 99811-0222
(907) 465-4864

March 31, 1982

The Honorable Pat Rodey
Chairman, Judiciary Committee
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Rodey:

Shari Holmes, Chairman of the Alaska Public Offices Commission, and I have reviewed Dick Bradley's memorandum of March 18, 1982, concerning changes to AS 39.50, the Conflict of Interest Law, as proposed in SCS CSHB 154(SA). The numbered comments which follow correspond to the numbers in Mr. Bradley's memo.

(1) Deletion of the phrase "at the time the municipal officer becomes a candidate" -- the timelines under which an individual who becomes a candidate for State elective office must file the Conflict of Interest Statement are set out in lines 17 through 28 on page 1 of SCS CSHB 154(SA). The reference on page 2, line 7, is now necessary only to indicate that a Statement on file at a municipality does not satisfy the requirements that candidates for State elective office have a Statement on file with the Commission. To leave in the phrase underlined above would set a different time standard for those who were municipal officers becoming State elective candidates from that provided for those who were not municipal officers.

(2) Mr. Bradley is correct about the reference to "a spouse" on page 4, line 18. This can be fixed by making line 18 read as follows: "year by the public official or candidate, the spouse or [HIM, A] dependent"

(3) Mr. Bradley is also correct about the fact that AS 39.50.030(b)(9) as proposed on page 4, line 27, is incomplete. The initial suggestion out of Senate State Affairs which prompted the addition was that items such as limited entry fishing permits and liquor licenses ought to be required to be disclosed in light of their substantial value. A call to the Limited Entry Commission indicated that those permits are held only by individuals; however, liquor licenses are often held by partnerships or corporations. Language requiring that "any other asset or liability valued at over \$5,000 owned by the public official or candidate, the spouse or dependent child of the public official or candidate or a partnership or professional corporation of which the public official or candidate is a member, or a corporation in which the public official

The Honorable Pat Rodey

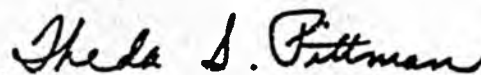
Page 2

March 31, 1982

or candidate or the spouse or the children of the public official or candidate, or a combination of them, hold a controlling interest." would appear to go substantially beyond what was intended in the original suggestion. If the Committee desires to pursue the more limited suggestion made in State Affairs, perhaps Mr. Bradley can assist with appropriate language.

Sincerely,

ALASKA PUBLIC OFFICES COMMISSION



THEDA S. PITTMAN
Executive Director

TSP/mab

cc: APOC Members
Richard Bradley, Legislative Counsel

Offered: 3/18/82
Referred: Finance

Original sponsor: Rules Committee

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 154 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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16 perjury, within 30 days after taking [HE TAKES] office as a public
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9 (3) the identity and nature of each interest owned by the
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13 dar year;

14 (4) the identity and nature of each interest in real property,
15 including an option to buy, owned by the public official or candidate
16 [HIM] or by the [HIS] spouse or dependent child of the public official
17 or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,
18 AT ANY TIME] during the preceding calendar year;

19 (5) the identity of each trust or other fiduciary relation in
20 which the public official or candidate [HE] or the [HIS] spouse or
21 dependent child of the public official or candidate [HIS OR NONDEPENDENT
22 CHILD OF HIS WHO IS LIVING WITH HIM,] held a beneficial interest during
23 the preceding calendar year, a description and identification of the
24 property contained in each trust or relation, and the nature and extent
25 of the beneficial interest in it;

26 (6) any loan or loan guarantee over \$5,000 made to the public
27 official or candidate [HIM] or the [HIS] spouse or dependent child of the
28 public official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS
29 LIVING WITH HIM,] and the identity of the maker of the loan or loan

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Offered: 3/18/82
Referred: Finance

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 154 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial disclosure; and providing
7 for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 39.50.020(a) is amended to read:

10 (a) A judicial officer, commissioner, chairman or member of a
11 state commission or board specified in AS 39.50.200(b), person hired or
12 appointed as head or deputy head of, or director of a division within, a
13 department in the executive branch, person appointed as assistant to the
14 governor, and a municipal officer, shall file a statement giving [HIS]
15 income sources and business interests, under oath and on penalty of
16 perjury, within 30 days after taking [HE TAKES] office as a public
17 official. An individual who files a declaration of candidacy or a nom-
18 inating petition or who becomes a candidate by any other means for state
19 elective office between January 1 and April 15 shall file the statement
20 no later than April 15. An individual who becomes a candidate [CANDI-
21 DATES] for state elective office after April 15 shall file the [SUCH A]
22 statement at the time of filing a declaration of candidacy or within 30
23 days of the filing of a [ANY] nominating petition, or within 30 days of
24 becoming a candidate by any other means. If an individual files or
25 becomes a candidate for state elective office during a calendar year
26 other than the year in which the election is held, the individual shall
27 file an updated statement on or before April 15 of each succeeding year
28 that the individual remains a candidate. Candidates for elective municipi-
29 pal office shall file the [SUCH A] statement at the time of filing a

1 nominating petition, declaration of candidacy, or other required filing
2 for the elective municipal office. A public official who has a current
3 statement on file with the commission who files for state elective office
4 is not required to file a statement at the time the public official
5 becomes a candidate. A municipal officer who has a current statement
6 on file with the municipality who files for state elective office shall
7 file a copy of the statement with the commission. Refusal or failure to
8 file within the time prescribed shall require that the candidate's
9 filing fees, if any, and filing for office be refused or that the candi-
10 date's [HIS] previously accepted filing fee be returned and the [HIS]
11 name of the candidate be removed from the filing records. A statement
12 shall also be filed by public officials no later than April 15 [OR 15
13 DAYS AFTER THE PERSON FILES HIS FEDERAL INCOME TAX RETURN] in each
14 following year [, WHICHEVER SHALL COME FIRST]. Persons who are [, ON OR
15 AFTER DECEMBER 11, 1974, WERE] members of boards or commissions not
16 named in AS 39.50.200(b) are not required to file financial statements.

17 * Sec. 2. AS 39.50.030(a) is repealed and reenacted to read:

18 (a) Each statement shall be an accurate representation of the
19 financial affairs of the public official or candidate and shall contain
20 the information specified in this section concerning each member of the
21 family of the public official or candidate to the extent that the in-
22 formation is ascertainable by the public official or candidate. House-
23 hold goods and personal effects need not be identified.

24 * Sec. 3. AS 39.50.030(b) is amended to read:

25 (b) Each statement filed by a public official or candidate under
26 this chapter shall include:

27 (1) the source of all income over \$5,000 [\$100], including
28 capital gains, whether or not taxable, received by the public official
29 or candidate [HIM] or by the [HIS] spouse or dependent child of the

1 public official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS
2 LIVING WITH HIM,] during the preceding calendar year;

3 (2) the identity, by name and address, of each business in
4 which the public official or candidate [HE] or the [HIS] spouse or
5 dependent child of the public official or candidate [HIS OR NONDEPENDENT
6 CHILD OF HIS WHO IS LIVING WITH HIM] was a stockholder, owner, officer,
7 director, partner, proprietor, or employee during the preceding calendar
8 year;

9 (3) the identity and nature of each interest owned by the
10 public official or candidate [HIM] or the [HIS] spouse or dependent
11 child of the public official or candidate [HIS OR NONDEPENDENT CHILD OF
12 HIS WHO IS LIVING WITH HIM,] in any business during the preceding calen-
13 dar year;

14 (4) the identity and nature of each interest in real property,
15 including an option to buy, owned by the public official or candidate
16 [HIM] or by the [HIS] spouse or dependent child of the public official
17 or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING WITH HIM,
18 AT ANY TIME] during the preceding calendar year;

19 (5) the identity of each trust or other fiduciary relation in
20 which the public official or candidate [HE] or the [HIS] spouse or
21 dependent child of the public official or candidate [HIS OR NONDEPENDENT
22 CHILD OF HIS WHO IS LIVING WITH HIM,] held a beneficial interest during
23 the preceding calendar year, a description and identification of the
24 property contained in each trust or relation, and the nature and extent
25 of the beneficial interest in it;

26 (6) any loan or loan guarantee over \$5,000 made to the public
27 official or candidate [HIM] or the [HIS] spouse or dependent child of the
28 public official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS
29 LIVING WITH HIM,] and the identity of the maker of the loan or loan

1 guarantor and the identity of each creditor to whom the public official
2 or candidate [HE] or the [HIS] spouse or dependent child of the public
3 official or candidate [HIS OR NONDEPENDENT CHILD OF HIS WHO IS LIVING
4 WITH HIM] owed over \$5,000 [\$500 OR MORE];

5 (7) a list of all contracts and offers to contract with the
6 state, or an instrumentality of the state, during the preceding calendar
7 year, held, bid or offered by the public official or candidate, the
8 [HIM, HIS] spouse or [,] dependent child of the public official or can-
9 didate [HIS] or the nondependent child [OF HIS] who is living with
10 the public official or candidate, the [HIM, HIS] mother or father of the
11 public official or candidate, or a partnership or professional corpora-
12 tion of which the public official or candidate [HE] is a member, or a
13 corporation in which the public official or candidate [HE] or the [HIS]
14 spouse or [HIS] children of the public official or candidate, or a
15 combination of them, hold a controlling interest; and

16 (8) a list of all mineral, timber, oil, or any other natural
17 resource lease held, or lease offer made, during the preceding calendar
18 year by the public official or candidate, a spouse [HIM], a dependent
19 child of the public official or candidate [HIS] or the nondependent
20 child living with the public official or candidate, the [OF HIS WHO IS
21 LIVING WITH HIM, HIS] mother or father of the public official or candi-
22 date, or a partnership or professional corporation of which the public
23 official or candidate [HE] is a member, or a corporation in which the
24 public official or candidate [HE] or the [HIS] spouse or the [HIS]
25 children of the public official or candidate, or a combination of them,
26 hold a controlling interest;

27 (9) any other asset or liability valued at over \$5,000.

28 * Sec. 4. AS 39.50.030 is amended by adding new subsections to read:

29 (d) A campaign contribution reported by a public official or

1 candidate under AS 15.13 does not need to be reported under this sec-
2 tion.

3 (e) A gift from a spouse, child, mother or father, brother or
4 sister, grandparent, or grandchild does not need to be reported under
5 this section.

6 * Sec. 5. AS 39.50.200(a)(6) is amended to read:

7 (6) "municipal officer" includes a borough or city mayor,
8 borough assemblyman, city councilman, school board member, elected
9 utility board member, city or borough manager, charter commission member,
10 members of a city or borough planning or zoning commission within a home
11 rule or general law city or borough, including but not limited to a
12 unified municipality under AS 29.68;

13 * Sec. 6. AS 39.50.200(a) is amended by adding a new paragraph to read:

14 (10) "elective municipal office" means the office of borough
15 or city mayor, borough assemblyman, city councilman, school board member,
16 elected utility board member, city or borough manager, charter commis-
17 sion member, city or borough planning or zoning commission member within
18 a home rule or general law city or borough, including but not limited to
19 a unified municipality under AS 29.68.

20 * Sec. 7. Sections 1 - 4 of this Act take effect January 1, 1983.

21 * Sec. 8. Sections 5 - 6 of this Act take effect July 1, 1982.

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Original sponsor: Rules Committee

Offered: 4/27/81
Referred: Rules

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 2d CS FOR HOUSE BILL NO. 154 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to financial disclosure; and provid-
7 ing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 39.50.030(a) is amended to read:

10 (a) Each statement shall be an accurate representation of the
11 financial affairs of the public official or candidate and shall contain
12 the [SAME] information [FOR EACH MEMBER OF HIS FAMILY, AS] specified in
13 (b) of this section [,] to the extent that it is ascertainable by the
14 public official or candidate. An asset or liability under \$500, house-
15 hold goods, and personal effects need not be identified.

16 * Sec. 2. AS 39.50.030(b) is amended by adding new paragraphs to read:

17 (9) the name of a person known by the public official or
18 candidate to have been a lobbyist during the preceding calendar year
19 who entered into a contract to purchase goods or services

20 (A) in excess of \$100 from a

21 (i) sole proprietorship owned by the public offi-
22 cial or candidate;

23 (ii) partnership in which the public official or
24 candidate is a general partner;

25 (B) in excess of \$1,000 from a person who is a general
26 partner of a firm of which the public official or candidate is a
27 general partner; or

28 (C) in excess of \$100 from a corporation over 50 percent
29 of the stock of which is owned by the public official or candidate;

1 (10) the name of a person from whom the public official or
2 candidate received during the preceding calendar year

3 (A) a gift of cash in excess of \$100;

4 (B) a single gift other than cash having a reasonable
5 value in excess of \$100;

6 (C) gifts other than cash having an aggregate reason-
7 able value in excess of \$250;

8 (11) the name of a person known by the public official or
9 candidate to have been a lobbyist, or a contractor or vendor who does
10 business with the state, or an employee of the state during the preced-
11 ing calendar year who is

12 (A) a general partner, officer, or director of a cor-
13 poration in which the public official or candidate is a general
14 partner, officer, director, or employee, with a description of the
15 legislative or administrative matters which were the object of the
16 activity of the lobbyist, the contractor or vendor who does
17 business with the state, or employee of the state; or

18 (B) a spouse, child, mother or father, brother or
19 sister of the public official or candidate.

20 * Sec. 3. AS 39.50.030 is amended by adding new subsections to read:

21 (d) A campaign contribution reported by a public official or
22 candidate under AS 15.13 does not need to be reported under this sec-
23 tion.

24 (e) A gift from a spouse, child, mother or father, brother or
25 sister, grandparent, or grandchild does not need to be reported under
26 this section.

27 * Sec. 4. Information that is required to be reported under the amend-
28 ments to AS 39.50.030 enacted in this Act need not be reported in a state-
29 ment due under AS 39.50 on or before December 31, 1982.

1 * Sec. 5. This Act takes effect January 1, 1982.

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COMMITTEE REPORT
SENATE

1/15/81

FURTHER: None

Date: 5/17/82

Mr. President:

The Committee on FINANCE has had CSHB 156(Rules) am

legislative contracts

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 3/26 3/15.5
5/7 30.0
5/5 0
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Handwritten signatures and notes]

CHAIRMAN

[Handwritten signature]

Amendments SCS HB 156 (Fin) 5/17/82

#1

Ferguson delete "or member" from
the bill

#2 Sturg. P. 3, L. 2 (handout)

#3 Sturg. P. 6, L. 14 (handout)

#4 Bennett P 2 L. 5

change \$10,000 to \$25,000

#5 Dankworth P. 7 L. 28

delete "his designee"

insert "a deputy commissioner"

#6 Eliason P. 3, Line 13

delete subsection (2)

#7 Eckert P. 12 Line 19

New Sub sec. 5

Financial Capability

"The Dept. shall determine the responsibility
of the bidder based on financial capability"

5/17/82
Adopted #
2

SENATE AMENDMENT

By Sturgulewski

To: _____ SENATE BILL No. _____
To: SCS for CS HOUSE BILL No. 156 (Fin)

*For
strike "member"*

PAGE: 3 LINE: 2

Add new subsection (b) to read:

(b) If the expertise required is not available to enable an agency, committee, ~~or member~~ to solicit the number of proposals otherwise required under this subsection, the agency, committee, ~~or member~~ shall solicit proposals:

(1) from each person or firm listed on the professional services contractors register maintained under AS 36.98.020 who appears to possess the required expertise;

(2) from each person or firm responding to the public notice given under (a) of this section who appears to possess the required expertise;

(3) and from any other person or firm with the required expertise of which the agency, committee, ~~or member~~ may be aware.

Re-letter remaining subsections accordingly.

5/17/82

Adepts (3)

SENATE AMENDMENT

By sturgulewski

To: _____ SENATE BILL No. _____

To: SCS for CS HOUSE BILL No. 156 (Finance)

PAGE: 6 LINE: 14

After the word "state," add language to read:

"and, where appropriate, in a newspaper in local circulation where the work is to be performed."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3820

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 14, 1982

SUBJECT: Public contracts
(SCS CSHB 156 (Finance))

TO: Senator Arliss Sturgulewski
Attn: Glen Svendsen

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

The subject of Senate CS for CSHB 156 (Finance) is public contracts generally and more specifically procedures to be followed in letting certain contracts.

Section 1 adds an exception for professional service contracts to the general rule that highway contracts be let under bid.

Section 2 adds an exception for professional service contracts to the general rule that public facility contracts be let under bid.

Section 3 creates a new chapter establishing rules for legislative contract procedures.

AS 24.23.010 sets forth the application of the new chapter. The chapter applies to legislative contracts generally, but exempts (1) professional service contracts if awards to a person within twelve months are \$10,000 or less; (2) written employment contracts involving direct supervision; (3) contracts let by competitive bid under AS 37.05.230; and (4) contracts with municipalities and other state agencies.

AS 24.23.020 requires solicitation of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. Formal advertising or the professional contractors services register, established later in this bill may be used in the solicitation process.

May 14, 1982

Requests for proposals are not necessary for sole source contracts. The exemption for a sole source contract must be justified by a written statement which is to be considered a public record.

AS 24.23.030. Contracts for the Legislative Affairs Agency shall be approved by the Legislative Council while contracts for the Legislative Finance or Audit Divisions shall be approved by the Legislative Budget and Audit Committee.

AS 24.23.040. A contract awarded by a legislative committee must be authorized by a majority vote of the committee. Contracts must be approved as to form by the Director of the Legislative Affairs Agency or the Director of the Legislative Finance or Legislative Audit Divisions and also by legislative legal counsel. Contracts shall contain the amount, period of performance, description of services, and a certification that sufficient money is available for the contract.

AS 24.23.050. Before final payment a written evaluation of the services provided under the contract must be prepared.

AS 24.23.060. Contracts, exemptions and requests for proposals are to be filed and open for public inspection.

AS 24.23.070 includes definition of professional services. This definition is the same which is used in the general chapter created later in this bill (AS 36.98) for professional services contracts.

Section 4 of the bill instructs the ombudsman to adopt regulations consistent with AS 24.23 to be followed by that office and specifically exempts investigative contracts of that office from the request for proposals procedure.

Section 5 of the bill creates a new chapter for professional services contracts which are entered into by the executive ~~and judicial~~ branches of state government as well as the University of Alaska.

AS 36.98.010. The new chapter applies to contracts for professional services generally but exempts (1) contracts for \$25,000 or less; (2) written employment contracts involving direct supervision; and (3) contracts let by competitive bid under AS 37.05.230.

AS 36.98.020. The Commissioner of the Department of Administration, the Commissioner of the Department of Transportation and Public Facilities, ~~and the court~~ ^{AG} ~~administrator~~ shall establish and maintain a professional services contractors register. Persons or firms may submit statements of qualifications and other information required by the commissioner for inclusion on the register.

AS 36.98.030. Public notice soliciting proposals for professional service contracts is required. A state agency shall also review the register and provide a request for proposals to each contractor on the register which the agency finds is qualified for consideration. Requires solicitations of proposals from at least six firms if the contract is \$100,000 or more, three firms if less than \$100,000. If the required number of proposals cannot be obtained due to lack of available expertise, state agencies shall at least solicit proposals from each person or firm on the register who appears qualified and from each person or firm responding to the public notice who appears qualified. Sole source contracts are exempt from the provisions of this section but require a written submission to the commissioner containing the reasons for the exemption. This section also does not apply in cases of public necessity or where the service is to be provided by another governmental agency.

AS 36.98.040 provides for uniform evaluation of contracts. Contracts must be submitted to the commissioner for review and approval. Contracts shall contain the amount, the period of performance, description of the services, and a certification that sufficient funds are available for the contract. Contracts which contain terms not typically included in the state standard form shall be reviewed by the Department of Law prior to award.

AS 36.98.050. Contracts are to be administered and monitored by the agency awarding the contract. At the completion of the contract the agency shall prepare a written evaluation of the services performed.

AS 36.98.060 Copies of contracts and requests for proposals shall be filed and open for public inspection.

AS 36.98.070. The commissioner shall adopt regulations, including grievance procedures concerning the manner of the

preparation and processing of professional services contracts.

AS 36.98.080. Definitions are self-explanatory. One unusual point is that in this chapter, commissioner means commissioner of the Department of Administration except for (1) those contracts issued by the Department of Transportation and Public Facilities in which case the word "commissioner" means the commissioner of transportation and public facilities; and ~~(2) those contracts with the judicial branch in which case "commissioner" means the administrative director of the court system.~~ (AS)

Section 6 raises the amount from \$2,500 to \$5,000 above which sealed bid procedures are to be used for state contracts generally. Also allows for limiting the solicitation of bids.

Section 7 of the bill raises the amount from \$2,500 to \$5,000 below which contractual services for state contracts generally may be obtained either by competitive bid or in the open market. Also raises the limit for "small purchases" which can be made on the open market from \$300 to \$500.

Section 8 merely identifies the addition of AS 24.23 and AS 36.98 to the state law.

Section 9 clarifies the criteria to be used in determining the lowest responsible bidder for contracts let under competitive bid. Provides for the application of AS 24.23 or AS 36.98 when making awards for professional service contracts.

Section 10. Only bids or proposals for professional services issued after the effective date of this will be subject to the new rules.

Section 11 provides for an immediate effective date.

TAS:ljb

Original sponsor: Rules Committee

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to public contracts; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 19.10.170(a) is amended to read:

(a) Except as provided in AS 36.98 and AS 44.33.300, it shall be the general policy of the department to require the construction of all highways under bid contract. However, subject to the provisions of (b) of this section, when the estimated cost of a construction project is less than \$100,000 or when it appears to be in the best interests of the state, the department may perform the work notwithstanding any other provisions of law.

* Sec. 2. AS 35.15.010(a) is amended to read:

(a) Except as provided in AS 36.98 and AS 44.33.300, it shall be the general policy of the department to require the construction of all public works under bid contract. However, when the estimated cost of a construction project is less than \$100,000, or when it appears to be in the best interests of the state, the department may perform the work, notwithstanding any other provisions of law. A complete record shall be kept by the commissioner or his designee of all transactions entered into under this section including names of employees involved in the transactions.

* Sec. 3. AS 24 is amended by adding a new chapter to read:

CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

Sec. 24.23.010. APPLICATION. This chapter applies to contracts

for services to be provided to a legislative agency, legislative committee, ~~or member~~ of the legislature unless

(1) the total amount of a professional services contract or contracts awarded to a person from a legislative agency, legislative committee, or member of the legislature does not exceed ~~\$10,000~~^{25,000} in a 12-month period;

(2) the contract is a written employment contract for services to be performed under direct supervision regardless of the existence of an employer-employee relationship and the person responsible for awarding the contract certifies that the services will be performed under direct supervision of the person responsible for awarding the contract and the contract is filed with the Legislative Affairs Agency;

(3) the contract is awarded based on competitive bids obtained under the competitive bid procedure provided in AS 37.05.230; or

(4) the required services are to be provided by an agency or department of the state government or by a municipality.

Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written request for proposals soliciting an offer to perform the required services under a contract must be extended to a sufficient number of providers of the required services to assure that public interest in competition is adequately served. Proposals from at least six firms shall be solicited for contracts equal to or greater than \$100,000. Proposals from at least three firms shall be solicited for contracts of less than \$100,000. Formal advertising in a medium that will reasonably bring the proposal to the attention of persons able to provide the required services may be substituted for direct solicitation or used jointly with direct solicitation of proposals. The professional services contractors register (AS 36.98.020) maintained by the Department of Administration and the Department of Transportation and Public Facilities may be used in soli-

citing proposals under this section.

add Amend. #2

(b) A request for proposals need not be extended under this section if there is a single source of the required services or if one person or firm can clearly perform the required services more satisfactorily because of the person's or firm's prior work.

(c) The exemption in (b) of this section applies only if

d (1) a legislative committee by vote of the majority of its members has approved the exemption and a written justification signed by the person responsible for awarding the contract that details the reasons for the exemption is filed under AS 24.23.060 as a public record; a contract proposed for awarding under the exemption in (b) of this section must be approved by the committee before it is valid; or

with Perry
deleted *Deleted*
~~(2) a member of the legislature has approved the exemption and a written justification signed by that member of the legislature that details the reason for the exemption is filed under AS 24.23.060.~~

Sec. 24.23.030. PREPARATION AND ACCEPTANCE OF PROPOSALS. (a) A proposal for a contract shall be self-contained and written with care and thoroughness. A proposal for a contract may be accepted only if it represents a sound approach to providing the required services.

(b) A contract for the Legislative Affairs Agency shall be approved by the Legislative Council. A contract for the legislative finance division or the legislative audit division shall be approved by the Legislative Budget and Audit Committee.

(c) A legislative committee or member of the legislature may request the Legislative Affairs Agency, the legislative finance division or the legislative audit division to carry out the responsibilities set out in (a) of this section.

Sec. 24.23.040. AWARD OF CONTRACT. (a) If a contract is awarded by a legislative committee, execution of the contract must be authorized

by a majority vote of the full membership of the committee.

(b) A contract must be executed by the provider of the service and the person responsible for awarding the contract and be approved as to form by the executive director of the Legislative Affairs Agency, the director of the legislative finance division, or the legislative audit division and also by legislative legal counsel.

(c) A contract awarded under this chapter shall contain

- (1) the amount of the contract stated on its first page;
- (2) the date for the work to begin;
- (3) the date by which the work must be completed;
- (4) a description of the services to be performed under the contract; and
- (5) a certification that sufficient money is available in an appropriation to be encumbered for the amount of the contract.

Sec. 24.23.050. EVALUATION. If a contract is awarded by a legislative committee, the committee or the project director must provide a written evaluation of the services provided under the contract before final payment on the contract may be made. The evaluation shall be filed under AS 24.23.060 and is open for public inspection.

Sec. 24.23.060. FILING. (a) A copy of each contract and each exemption granted under AS 24.23.020(b) must be filed, as is appropriate, with the Legislative Affairs Agency, the ombudsman, the legislative finance division, or the legislative audit division, and is open for public inspection. The request for proposals and each proposal submitted must be attached to the filed copy unless the contract is one in which requests for proposals are not required.

(b) A contract for services provided to the legislative audit division in the preparation of an audit report is not required to be filed under (a) of this section until the audit report is released under

AS 24.20.311.

Sec. 24.23.070. DEFINITION. In this chapter "professional services" means professional, technical, or consultant's services that are predominantly intellectual in character and that

(1) include analysis, evaluation, prediction, planning, or recommendation; and

(2) result in the production of a report or the completion of a task.

* Sec. 4. AS 24.55 is amended by adding a new section to read:

Sec. 24.55.275. CONTRACT PROCEDURES. The ombudsman shall adopt by regulation procedures consistent with AS 24.23 to be followed by the office of the ombudsman in contracting for services. However, the procedure for requests for proposals does not apply to contracts for investigations under AS 24.55.100.

* Sec. 5. AS 36 is amended by adding a new chapter to read:

CHAPTER 98. PROFESSIONAL SERVICES CONTRACTS.

Sec. 36.98.010. APPLICATION. This chapter applies to contracts for professional services provided to a state agency unless

(1) the total amount of a contract does not exceed \$25,000;

(2) the contract is an employment contract for services to be performed under direct supervision regardless of the existence of an employer-employee relationship and a written justification signed by the person responsible for awarding the contract is filed with the commissioner;

(3) the contract is awarded based on competitive bids obtained under the procedure provided in AS 37.05.230.

Sec. 36.98.020. PROFESSIONAL SERVICES CONTRACTORS REGISTER. (a) The commissioner shall establish and maintain a professional services contractors register:

(b) A person or firm who desires to provide professional services to a state agency may submit to the commissioner a statement of qualifications and performance data, and any other information that the commissioner, by regulation, may require.

(c) The commissioner may at any time require the person or firm to revise the statement of qualifications and performance data or any other information submitted by the person or firm if the commissioner believes that the credentials or record of experience of the person have materially changed since the last filing by the person or firm.

Sec. 36.98.030. SOLICITATION OF SERVICES. (a) When a state agency proposes to enter into a contract for professional services, the agency shall give public notice soliciting proposals for the professional services contract by publication at least three times in one or more newspapers in general circulation in the state, ^{and where appropriate, in a newspaper in 1001} ~~the first notice~~ ^{circulated, before the date} shall be published not less than 30 days before the date on which the agency expects to enter into the contract and each subsequent notice shall be published at intervals of no more than three days thereafter. The notice shall include

- (1) a general description of the proposed project for which the agency is seeking professional services; and
- (2) the procedure by which a person or firm interested in the professional services contract may make its proposal to the agency for consideration for the contract.

(b) In addition to complying with the publication requirements of (a) of this section, when a state agency proposes to enter into a contract for professional services it shall

- (1) review the register of professional services contractors maintained by the commissioner under AS 36.98.020; and
- (2) provide a request for proposals for the proposed profes-

sional services contract to each prospective contractor who, after review of the register of professional services contractors under (1) of this subsection, the agency finds is qualified for consideration for the contract.

(c) A request for proposals must be extended to a sufficient number of prospective providers of the required services to assure that public interest in competition is adequately served. Proposals from at least six persons or firms with the required expertise shall be solicited for contracts equal to or greater than \$100,000. Proposals from at least three persons or firms with the required expertise shall be solicited for contracts of less than \$100,000 if the expertise required is available. If the expertise required is not available to enable an agency to solicit the number of proposals otherwise required under this subsection, the agency shall solicit proposals

(1) from each person or firm listed on the professional services contractors register maintained under AS 36.98.020 who appears to possess the required expertise;

(2) from each person or firm responding to the public notice given under (a) of this section who appears to possess the required expertise.

(d) The provisions of this section do not apply if

(1) the contracting agency demonstrates that there is a single source of the expertise or knowledge required or that one person or firm can clearly perform the required tasks more satisfactorily because of the person's or firm's prior work; however, this exemption applies only when the head of the state agency has submitted a written request to the commissioner that details the reasons for the exemption and the commissioner or ~~his designee~~ ^{a deputy commissioner} has authorized in writing the state agency to enter contract negotiations with the single source;

(2) the commissioner makes a written determination that public necessity will not permit delay incident to the procedures otherwise required by this chapter; or

(3) the service is to be provided by another state agency, a federal agency, or a political subdivision of the state.

(e) A request for proposals must contain a description of the work to be performed under the contract and the terms under which the work is to be performed. A request for proposals must contain that information necessary for a prospective contractor to submit a response or contain references to any information that cannot reasonably be included with the request. The request for proposals must provide a description of the factors that will be considered by the state agency when it evaluates the proposals received.

(f) Nothing in this section limits the authority of an agency to use additional means that it may consider appropriate to notify prospective contractors that it proposes to enter into a contract for professional services.

Sec. 36.98.040. AWARD OF CONTRACT. (a) After the responses are submitted, the state agency shall evaluate them. The evaluation shall consist of assigning point values to factors considered by the agency in evaluating each proposal. All proposals received must be evaluated using the same factors as those set out in the request for proposal.

(b) The contract must be executed by the contractor and the project director for the contracting agency and be approved by the head of the contracting agency or his designee. If a contract is made by a board or commission, execution of the contract on behalf of the board or commission must be authorized by the board or commission.

(c) A contract subject to this chapter must be submitted to the commissioner for review and approval and, if approved, is effective from

the date of the approval. A state agency must clearly provide in the request for proposal that the state is not obligated to perform under the contract until the approval required by this subsection is granted.

(d) A contract awarded under this chapter shall contain:

- (1) the amount of the contract stated on its first page;
- (2) the date for the work to begin;
- (3) the date by which the work must be completed;
- (4) a description of the services to be performed under the contract; and
- (5) a certification by the project director for the contracting agency, the head of the contracting agency, or his designee that sufficient funds are available in an appropriation to be encumbered for the amount of the contract.

(e) If the contract contains terms that are not provided in a state standard form contract or if the standard terms are deleted or modified by other terms that are not standard, the contract must be reviewed by the Department of Law and approved as to form. The review and approval required by this subsection must be completed before approval of the award of the contract by the commissioner under (c) of this section.

Sec. 36.98.050. CONTRACT ADMINISTRATION. (a) When a state agency has entered into a professional services contract, that agency is responsible for the diligent administration and monitoring of the performance of the provisions of the contract.

(b) When a professional services contract has been completed, the contracting state agency shall evaluate the performance of the contractor under the contract and shall report on and evaluate the use of the final product of the professional services contract. A copy of the report and evaluation prepared under this subsection shall be transmitted to the

1 commissioner and shall be retained by the commissioner for as long as
2 the commissioner is required to maintain copies of completed contracts.

3 Sec. 36.98.060. FILING. A copy of each contract and the response
4 to the request for proposal upon which the contract was awarded must be
5 filed with both the commissioner and the contracting state agency and is
6 open for public inspection. The request for proposal and the name and
7 address of each person who submitted a response to it must also accompany
8 the filed copies.

9 Sec. 36.98.070. CONTRACT PROCEDURES. The commissioner shall, by
10 regulation adopted in accordance with the Administrative Procedure Act
11 (AS 44.62), establish the manner and form by which state professional
12 services contracts shall be prepared and processed, including, but not
13 limited to, a review process for persons aggrieved under this chapter.

14 Sec. 36.98.080. DEFINITIONS. In this chapter

15 (1) "commissioner" means the commissioner of administration;
16 except that for contracts entered into by the Department of Transporta-
17 tion and Public Facilities, "commissioner" means the commissioner of
18 transportation and public facilities;

19 (2) "professional services" means professional, technical, or
20 consultant's services that are predominantly intellectual in character
21 and that

22 (A) include analysis, evaluation, prediction, planning,
23 or recommendation; and

24 (B) result in the production of a report or the comple-
25 tion of a task;

26 (3) "public necessity" means an urgent public need that could
27 not have been anticipated or foreseen; the term also includes emergency
28 situations when work is necessary to protect life or property;

29 (4) "request for proposals" means a written solicitation for

1 contract proposals by prospective contractors that sets out the nature
2 of the services to be performed or product to be secured with sufficient
3 information for a qualified prospective contractor to prepare a contract
4 proposal for consideration and evaluation, by the state agency;

5 (5) "state agency" means a department, institution, board,
6 commission, division, authority, or other administrative unit of the
7 executive branch of state government, and the University of Alaska.

8 * Sec. 6. AS 37.05.230(2) is amended to read:

9 (2) if the amount of the contractual services, purchase, or
0 sale is estimated to exceed \$5,000 [\$2,500] sealed bids shall be soli-
1 cited, when practicable, by publication in a newspaper calculated to
2 reach prospective bidders and by posting notices in public places within
3 the area where the work is to be performed or material furnished and in
4 addition the department may also designate a trade journal for publica-
5 tion; the department shall also solicit bids by sending notices by mail
6 to all active prospective bidders known to it and all bids shall be
7 sealed when received, and shall be opened in public at the hour stated
8 in the notice; the department may limit the solicitation of bids or
9 negotiate directly if it finds that it is in the best interests of the
0 state;

1 * Sec. 7. AS 37.05.230(3) is amended to read:

2 (3) a contractual service, purchase or sale where the known
3 requirements are estimated to be less than \$5,000 [\$2,500] may be made
4 either upon competitive bids in accordance with (2) of this section or
5 in the open market, in the discretion of the department; but, so far as
6 practicable, shall be based on at least three competitive bids and
7 recorded as provided in AS 37.05.240; small purchases of less than \$500
8 [\$300] in the discretion of the department may be made on the open
9 market, and may be by cash payment from petty cash accounts set aside

1 for that purpose; the department shall determine the amount of the petty
2 cash accounts needed by each state agency, and inspect the petty cash
3 accounts at least once each year to determine that the total plus amounts
4 of receipts for unreplenished disbursements is equal to the fixed sum of
5 cash set aside; shortages in petty cash accounts are a personal liability
6 of the responsible head of the agency to whom the account is set aside;
7 the department shall make all necessary rules and regulations governing
8 use and replenishment of petty cash funds;

9 * Sec. 8. AS 37.05.230 is amended by adding a new paragraph to read:

0 (9) requests for and acceptance of bids or other proposals
1 for professional services shall comply with AS 24.23 or AS 36.98.

2 * Sec. 9. AS 37.05.240 is amended to read:

3 Sec. 37.05.240. AWARD OF CONTRACTS AND PURCHASES. (a) Except as
4 otherwise provided in AS 37.05.230, a [A] contract or purchase made by
5 or under the supervision of the department for which competitive bids
6 are required shall be awarded to the lowest responsible bidder. The
7 department shall determine the responsibility of the bidder based upon
8 the bidder's (1) adherence to the bid specifications, (2) proposed terms
9 of delivery, (3) compliance with state laws, (4) performance record, and
0 ~~(5) compliance with conditions imposed in the solicitation for bids.~~ ^{The Dept. shall determine the responsibility of a bidder based on financial capability.} (5) compliance with conditions imposed in the solicitation for bids. The
1 purchasing agent may cancel the solicitation for bids before the award if
2 it is in the state's best interest. However, if the purchasing agent
3 makes the contract or purchase after the solicitation for bids is can-
4 celled, the purchase or contract shall be made in accordance with AS 37.
5 05.230(2) [, TAKING INTO CONSIDERATION CONFORMITY WITH THE SPECIFICA-
6 TIONS, TERMS OF DELIVERY, AND OTHER CONDITIONS IMPOSED IN THE CALL FOR
7 BIDS. BIDS MAY BE REJECTED, AND A BID SHALL BE REJECTED IF IT CONTAINS
8 A MATERIAL ALTERATION OR ERASURE WHICH IS NOT INITIALED BY THE SIGNER OF
9 THE BID. THE DEPARTMENT MAY REJECT THE BID OF A BIDDER WHO IS IN ARREAR

1 ON TAXES DUE THE STATE OR WHO FAILED TO PERFORM ON A PREVIOUS CONTRACT
2 WITH THE STATE. WHERE COMPETITIVE BIDS ARE REQUIRED AND WHERE ALL BIDS
3 ARE REJECTED, NEW BIDS SHALL BE CALLED FOR AS IN THE FIRST INSTANCE].

4 Before the awarding of a contract for a building or the making of repairs
5 upon a building, the department shall see that the bids conform with
6 plans and specifications approved by the Department of Transportation
7 and Public Facilities. All bids with the names of the bidders and the
8 amounts of the bids, together with all documents pertaining to the award
9 of a contract, shall be made a part of a file or record and retained by
0 the department for three years, unless reproduced by microfilming and
1 these files or records are open to public inspection at all reasonable
2 times. An aggrieved bidder may within five days after an award of
3 contract appeal to the department for hearing, with notice to interested
4 parties, for redetermination and final award in accordance with law.

5 (b) A contract for professional services shall be awarded in
6 accordance with AS 24.23 or AS 36.98.

7 * Sec. 10. This Act applies to requests for bids or proposals for profes-
8 sional services issued after the effective date of this Act.

9 * Sec. 11. This Act takes effect immediately in accordance with AS 01.10.-
0 070(c).

April 6, 1982

HOUSE JOURNAL
SUPPLEMENT

no. 37

HB
546

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB 546 No. 1 Page 1 of 2
Title In the Solidarity to State Contractors for Professional Services
Requested by House State Affairs Date 3/23/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Contractual Development
BPU, Program, Or Subprogram(s) Affected None
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL	91.5	74.9	18.7	22.2	51.2	98.6
300 CONTRACTUAL	231.2	255.7	325.2	390.1	392.1	340.0
400 COMMODITIES	1.2	1.6	1.7	1.8	1.9	2.0
500 EQUIPMENT						
600 LAND & STRUCTURES	14.0	13.8	14.2	15.7	15.4	16.2
700 GRANTS, CLAIMS, ETC.						
TOTAL	320.0	345.5	372.9	402.5	434.5	465.1

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	320.0	345.5	372.9	402.5	434.5	465.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development	
Evaluation System/Form/Tracking System	
Application form	
On-line Capabilities	160.0
Printing of Labels	4.0
Printing of Applications	1.0

IV. DATE March 26, 1982 PREPARED BY George Eljee
Original: Legislative Finance AGENCY ADMINISTRATION
Budget and Management PHONE 463-3260
Prime Sponsor (First Legislator Named)

HOUSE JOURNAL
SUPPLEMENT

No. 37

April 6, 1982

H5
546

Contractual No. 1 Page 2 of 2

Procedures:

Training in procuring contracts and operating
within new regulations
Re-write of Existing Procedures
Administration Code Drafts
Administration Code Public Hearings

60.0

Advertising:

Professional Listing

5.4

Services associated with required positions --
phone, office space, computer terminal rental, etc.

8.0

5238.4

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 156
 Title An Act relating to legislative contracts
 Requested by Legislative Budget & Audit Committee Date 05-06-82

II. FISCAL DETAIL

Agency Affected The Legislature
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected All committees & all legis agencies
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		30.0	33.0	36.3	39.9	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The only cost for this new procedure not funded would be the cost for advertising. My best estimate for advertising for bids for contract is:

15 contracts per fiscal year at approximately \$2,000 each.

This would cover newspapers in Ketchikan, Juneau, Fairbanks and two in Anchorage. Ad would run three days per week for four weeks.

Total is \$30,000 for FY 83 and 10% increase for next three years.

IV. DATE May 7, 1982 PREPARED BY Wally Harrison, Director
 AGENCY Legislative Affairs Agency
 Original: Legislative Finance PHONE 465-3850
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 546
 Title STATE CONTRACTS FOR PROFESSIONAL SERVICES
 Requested by A. STURGELEWSKI Date 5/6/82

II. FISCAL DETAIL

Agency Affected DEPT OF TRANSPORTATION & PUBLIC FACILITIES
 Program Category Affected TRANSPORTATION
 BRU, Program, Or Subprogram(s) Affected ALL
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER (Specify Source)	0					

POSITIONS

FULL TIME	0					
PART TIME	0					
TEMPORARY	0					

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The intent of this bill is to invoke legal guidelines for the selection of and negotiation of Professional Services agreements. We are advised that the bill is intended to allow the use of DOT/PF Contracting Policies and Procedures as they now exist. Provided that the final bill reflects existing procedures, there will be no financial impact.

IV. DATE 5/5/82

PREPARED BY R. S. Armstrong
 AGENCY Dept. of Transportation & Public Facilities
 PHONE 465-3900

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee

Offered: 4/27/81
Referred: Rules

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 156 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 24 is amended by adding a new chapter to read:

9 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

10 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
11 for services to be provided to a legislative agency or committee unless

12 (1) the total amount of a contract or contracts awarded to a
13 person in a 12-month period does not exceed \$5,000;

14 (2) the contract is a written employment contract for serv-
15 ices to be performed under direct supervision regardless of the exist-
16 ence of an employer-employee relationship and a written justification
17 signed by the person responsible for awarding the contract is filed
18 with the Legislative Affairs Agency;

19 (3) the contract is for construction, repair, or maintenance
20 of a structure and does not exceed \$5,000;

21 (4) the contract is awarded based on competitive bids ob-
22 tained under the competitive bid procedure provided in AS 37.05.230; or

23 (5) the service is to be provided by an agency or department
24 of the state government or by a municipality.

25 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written
26 request for proposals soliciting an offer to perform the services
27 required under a contract must be extended to a sufficient number of
28 providers of the required services to assure that public interest in
29 competition is adequately served. Proposals from at least six firms

1 shall be solicited for contracts in excess of \$100,000 if the expertise
2 required is widely available. Proposals from at least three firms
3 shall be solicited for contracts of less than \$100,000 if the expertise
4 required is widely available. Formal advertising in a medium which
5 will reasonably bring the proposal to the attention of persons able to
6 provide the required service may be substituted for direct solicitation
7 or used jointly with direct solicitation of proposals.

8 (b) A request for proposals need not be extended if

9 (1) there is a single source of the expertise or knowledge
10 required or if one person or firm can clearly perform the required
11 tasks more satisfactorily because of the person's or firm's prior work;
12 however, this exemption from a request for proposals applies only when
13 a legislative committee by vote of the majority of the members of the
14 committee has approved the exemption and a written justification signed
15 by the person responsible for awarding the contract which details the
16 reasons for the exemption is filed with the Legislative Affairs Agency
17 as a public record. Any proposed contract to be awarded under this
18 exemption must also be approved by the committee before it is valid; or

19 (2) the contract is for services provided to the office of
20 the ombudsman for an investigation under AS 24.55.100.

21 (c) A proposal should be designed to demonstrate to legislative
22 committees and staff who will review the proposal that the proposed
23 research project represents a sound approach to the investigation of an
24 important public policy question. A proposal should be self-contained
25 and written with care and thoroughness.

26 (d) Unless the contract is for services exempt under AS 24.23.010
27 or (b) of this section, a contract for

28 (1) the Legislative Affairs Agency shall be approved by the
29 Legislative Council;

1 (2) the legislative finance division or the legislative
2 audit division shall be approved by the Legislative Budget and Audit
3 Committee.

4 Sec. 24.23.030. AWARD OF CONTRACT. (a) If a contract is made by
5 a legislative committee, execution of the contract on behalf of the
6 committee must be authorized by a majority vote of the full membership
7 of the committee. The contract must be executed by the provider of the
8 service and the project director, be approved by the executive director
9 of the Legislative Affairs Agency, the director of the legislative
10 finance division or the legislative audit division, and be approved as
11 to form by the legislative legal counsel.

12 (b) A contract awarded under this section shall contain the
13 amount of the contract stated on its first page.

14 Sec. 24.23.035. EVALUATION. (a) If a contract is awarded by a
15 legislative committee, the committee or the project director must
16 provide a written evaluation of the services provided under the con-
17 tract before final payment may be made. The evaluation is open for
18 public inspection.

19 Sec. 24.23.040. FILING. A copy of each contract must be filed
20 with the Legislative Affairs Agency, the ombudsman, the legislative
21 finance division, or the legislative audit division, and is open for
22 public inspection. The request for proposals and each proposal sub-
23 mitted must be attached to the filed copy unless the contract is one in
24 which requests for proposals are not required.

25 * Sec. 2. AS 24.55 is amended by adding a new section to read:

26 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt
27 by regulations procedures consistent with AS 24.23 to be followed by
28 the office of the ombudsman in contracting for services.

29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for CS for House Bill No. 156 (Finance)
Title An Acr relating to public contracts
Requested by House Finance Committee Date 5/17/82

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Centralized Administration
BRU, Program, Or Subprogram(s) Affected Accounting
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	67.5	72.9	78.7	84.9	91.6	98.9
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	238.4	257.4	277.9	300.1	324.1	350.0
400 COMMODITIES	1.5	1.6	1.7	1.3	1.9	2.0
500 EQUIPMENT	12.6	13.6	14.6	15.7	16.9	18.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	320.0	345.5	372.9	402.5	434.5	469.1

FUNDING (Thousands of Dollars)

	320.0	345.5	372.9	402.5	434.5	469.1
GENERAL FUND	320.0	345.5	372.9	402.5	434.5	469.1
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS

	2	2	2	2	2	2
FULL TIME	2	2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development
Evaluation System/Form/Tracking System
Application form
On-line Capabilities 160.0
Printing of Labels 4.0
Printing of Applications 1.0

IV. DATE May 26, 1982 PREPARED BY George Elgee

Original: Legislative Finance AGENCY Administration
cc: Budget and Management PHONE 465-2250

Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81) Office of the Governor: Keith Specking

*Rec'd 5/27/82
after bill
R/O*

Smith

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Senate CS for CS for House Bill No. 156 (Finance)
Title An Acr relating to public contracts
Requested by House Finance Committee

II. FISCAL DETAIL
Agency Affected Administration
Program Category Affected Central
BRU, Program, Or Subprogram(s) Affe
(Note: If more than one budget comp
amounts and funding for each

Rec'd 5/27/82
after bill
R/O

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83				
100 PERSONAL SERVICES	67.5	72.9				
200 TRAVEL						
300 CONTRACTUAL	238.4	257.4				
400 COMMODITIES	1.5	1.6				
500 EQUIPMENT	12.6	13.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	320.0	345.5	372.9	402.5	434.5	469.1

FUNDING (Thousands of Dollars)

	320.0	345.5	372.9	402.5	434.5	469.1
GENERAL FUND						
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Source)	0	0	0	0	0	0

POSITIONS

	2	2	2	2	2	2
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Contractual

Computer Program Development:

Register Development
Evaluation System/Form/Tracking System
Application form
On-line Capabilities 160.0
Printing of Labels 4.0
Printing of Applications 1.0

IV. DATE May 26, 1982 PREPARED BY George Elae
AGENCY Administration
PHONE 465-2250
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81) Office of the Governor: Keith Specking

ASmith

Contractual

Procedures:

Training in procuring contracts and operating ...
within new regulations

Re-write of Existing Procedures

Administration Code Drafts

Administration Code Public Hearings

60.0

Advertising:

Professional Listing

5.4

Services associated with required positions --
phone, office space, computer terminal rental, etc.

8.0

\$238.4

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8B	BARG. UNIT. G	LOCATION Juneau	APPROV.	ISBAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1,530/mo.	18.360
5	BENEFITS	.1579	2,899
6	SBS	.0613	1,125
7	FIXED BENEFITS	150 x 2	1,800
8	TOTAL PERSONAL SERVICES	01	24.2
9	TRAVEL	02	
10	CONTRACTUAL	03	4.0
11	COMMODITIES	04	1.0
12	EQUIPMENT	05	10.8
13	OTHER		
14	TOTAL COST		40.0

JUSTIFICATION:
 As sole administrative support to the Accountant III and Accounting Clerk III this position will be responsible for maintaining records central over all incoming correspondence.

A substantive knowledge of documents and clerical processes is required to perform these duties independently. Procedures and directions governing work are available in manuals which may require considerable interpretation or extensive search to locate applicable guidelines. Accuracy is required, since work is only occasionally checked, and errors may cause significant disruption in the work cycle and are costly and time consuming to correct. Independent operation of a magnetic tape selectric typewriter and/or regular and significant use of a composer system with responsibility for final proofing of content, format, and layout may be involved especially in the preparation of reports of contractor' activity. Person-to-person contact will involve the exchange, collection, or furnishing of non-routine and sensitive information requiring interpretation during the preparation of Regulation and Procedures for State agencies and the public.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17	100	GEN. FUND 1004	40.0
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM Centralized Administrative Services 6/L/34

13 REQUEST FOR NEW POSITION.

BRU _____
 COMPONENT _____
 Page _____ of _____ REVISED DATE _____

FY 83

1	POSITION TITLE Procurement Analyst (Contracting Officer)			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.				
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: This position is needed so that full-time support can be given to professional service contracts. CS for HB 546 requires the State to exercise a more aggressive role in the solicitation, negotiation, administration and evaluation of professional service contracts. The incumbent of this position will be a contract specialist and a resource person to other agencies. This position will be responsible for: <ol style="list-style-type: none"> Administering the Professional Service Contract Tracking System (PSCTS) -- a new computer system. Reviewing ATNS and PSCS to determine compliance with the provisions of AS 36.98 and regulations adopted thereunder. Preparing drafts of new materials and revisions of sections of the State Administrative Manual and regulations pertaining to professional service contracts. Coordinating the PSCTS with the Professional Services Contractors Register -- another new computer system. Advising the Commissioner of Administration and others in the Department of Administration on matters pertaining to professional contracting in general and on specific problem areas. Assisting agencies in their day-to-day activities pertaining to the solicitation, negotiation, administration and evaluation of professional service contracts. 							
4	PERSONAL SERVICES:	2,838		34,056									
5	SALARY	.1579		5,377									
6	BENEFITS	.0613		2,088									
7	SBS	150 x 12		1,800									
8	FIXED BENEFITS												
9	TOTAL PERSONAL SERVICES	01		43.3									
10	TRAVEL	02											
11	CONTRACTUAL	03		4.0									
12	COMMODITIES	04		.5									
13	EQUIPMENT	05		1.8									
14	OTHER												
14	TOTAL COST			49.6									
15	RECEIPT CODE	FUNDING SOURCE											
16		FED RCPTS. 1002											
17		GF MATCH. 1003											
18		GEN. FUND. 1004		49.6									
19		I-A RCPTS. 1005											
20		PGM RCPTS 1028											
21		OTHER											
21	CONTINUATION												
22	ADDITION												
				FOR B&M USE ONLY									
4A-KEY NUMBER				COLUMN NO.									

AGENCY Administration

PROGRAM Centralized Administrative Services

6/L/33

13 REQUEST FOR NEW POSITION.

BRJ _____

COMPONENT _____

Page _____ of _____ REVISED DATE _____

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 156 (Rules) am
 Title An Act relating to legislative contracts.
 Requested by Legislative Finance Date 1-19-82

II. FISCAL DETAIL
 Agency Affected Legislative Affairs
 Program Category Affected General Government
 BRU, Program, (or Subprogram(s) Affected Executive Director
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Zero fiscal note.

IV. DATE 1-19-82 PREPARED BY M. R. Charney, Exec. Dir.
 AGENCY Legislative Affairs Agency
 PHONE 465-3800
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS CS for HB156 (Judiciary)
 Title An Act relating to legislative contracts.
 Requested by Legislative Finance Date 1-19-82

II. FISCAL DETAIL

Agency Affected Legislative Affairs
 Program Category Affected General Government
 ERU, Program, Or Subprogram(s) Affected Executive Director
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

-0-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Zero fiscal note.

IV. DATE 1-19-82 PREPARED BY M. R. Charney, Exec. Dir.
 AGENCY Legislative Affairs Agency
 Original: Legislative Finance PHONE 465-3800
 cc: Budget and Management
Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Original sponsor: Rules Committee

Offered: 1/15/82
Referred: Finance

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts; and provid-
7 ing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

11 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
12 for services to be provided to a legislative agency or committee unless

13 (1) the total amount of a contract or contracts awarded to a
14 person in a 12-month period does not exceed \$5,000;

15 (2) the contract is a written employment contract for ser-
16 vices to be performed under direct supervision regardless of the exis-
17 tence of an employer-employee relationship and a written justification
18 signed by the person responsible for awarding the contract is filed
19 with the Legislative Affairs Agency;

20 (3) the contract is for construction, repair, or maintenance
21 of a structure and does not exceed \$5,000;

22 (4) the contract is awarded based on competitive bids ob-
23 tained under the competitive bid procedure provided in AS 37.05.230; or

24 (5) the service is to be provided by an agency or department
25 of the state government or by a municipality.

26 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written
27 request for proposals soliciting an offer to perform the services
28 required under a contract must be extended to a sufficient number of
29 providers of the required services to assure that public interest in

1 competition is adequately served. Proposals from at least six firms
2 shall be solicited for contracts in excess of \$100,000 if the expertise
3 required is widely available. Proposals from at least three firms
4 shall be solicited for contracts of less than \$100,000 if the expertise
5 required is widely available. Formal advertising in a medium that will
6 reasonably bring the proposal to the attention of persons able to
7 provide the required service may be substituted for direct solicitation
8 or used jointly with direct solicitation of proposals.

9 (b) A request for proposals need not be extended if

10 (1) there is a single source of the expertise or knowledge
11 required or if one person or firm can clearly perform the required
12 tasks more satisfactorily because of the person's or firm's prior work;
13 however, this exemption from a request for proposals applies only when
14 a legislative committee by vote of the majority of the members of the
15 committee has approved the exemption and a written justification signed
16 by the person responsible for awarding the contract which details the
17 reasons for the exemption is filed with the Legislative Affairs Agency
18 as a public record; any proposed contract to be awarded under this
19 exemption must also be approved by the committee before it is valid; or

20 (2) the contract is for services provided to the office of
21 the ombudsman for an investigation under AS 24.55.100.

22 (c) A proposal may be accepted only if it represents a sound
23 approach to the investigation of an important legislative concern. A
24 proposal shall be self-contained and written with care and thoroughness.

25 (d) Unless the contract is for services exempt under AS 24.23.010
26 or (b) of this section, a contract for

27 (1) the Legislative Affairs Agency shall be approved by the
28 Legislative Council;

29 (2) the legislative finance division or the legislative

1 audit division shall be approved by the Legislative Budget and Audit
2 Committee.

3 Sec. 24.23.030. AWARD OF CONTRACT. (a) If a contract is made by
4 a legislative committee, execution of the contract on behalf of the
5 committee must be authorized by a majority vote of the full membership
6 of the committee. The contract must be executed by the provider of the
7 service and the project director and be approved as to form by the
8 executive director of the Legislative Affairs Agency, or the director of
9 the legislative finance division or the legislative audit division and
10 by legislative legal counsel.

11 (b) A contract awarded under this section shall contain the
12 amount of the contract stated on its first page.

13 Sec. 24.23.035. EVALUATION. If a contract is awarded by a legis-
14 lative committee, the committee or the project director must provide a
15 written evaluation of the services provided under the contract before
16 final payment may be made. The evaluation is open for public inspec-
17 tion.

18 Sec. 24.23.040. FILING. A copy of each contract must be filed
19 with the Legislative Affairs Agency, the ombudsman, the legislative
20 finance division, or the legislative audit division, and is open for
21 public inspection. The request for proposals and each proposal sub-
22 mitted must be attached to the filed copy unless the contract is one in
23 which requests for proposals are not required.

24 * Sec. 2. AS 24.55 is amended by adding a new section to read:

25 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt
26 by regulations procedures consistent with AS 24.23 to be followed by
27 the office of the ombudsman in contracting for services.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Bradley ✓

Not adopted

Outdated Draft

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 156 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to legislative contracts; and provid-
7 ing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 24 is amended by adding a new chapter to read:

10 CHAPTER 23. LEGISLATIVE CONTRACT PROCEDURE.

11 Sec. 24.23.010. APPLICATION. This chapter applies to contracts
12 for services to be provided to a legislative agency, legislative commit-
13 tee, or member of the legislature unless

14 (1) the total amount of a contract or contracts awarded to a
15 person from a legislative agency, legislative committee, or member of
16 the legislature does not exceed \$10,000 in a 12-month period;

17 (2) the contract is a written employment contract for
18 services to be performed under direct supervision regardless of the
19 existence of an employer-employee relationship and the person responsi-
20 ble for awarding the contract certifies that the services will be per-
21 formed under direct supervision of the person responsible for awarding
22 the contract and the contract is filed with the Legislative Affairs
23 Agency;

24 (3) the contract is for construction, repair, or maintenance
25 of a structure and does not exceed \$10,000;

26 (4) the contract is awarded based on competitive bids ob-
27 tained under the competitive bid procedure provided in AS 37.05.230; or

28 (5) the required services are to be provided by an agency or
29 department of the state government or by a municipality.

Bradley

1 Sec. 24.23.020. REQUESTS FOR PROPOSALS. (a) A formal written re-
2 quest for proposals soliciting an offer to perform the required services
3 under a contract must be extended to a sufficient number of providers of
4 the required services to assure that public interest in competition is
5 adequately served. Proposals from at least six firms shall be solicited
6 for contracts in excess of \$100,000. Proposals from at least three
7 firms shall be solicited for contracts of less than \$100,000. Formal
8 advertising in a medium that will reasonably bring the proposal to the
9 attention of persons able to provide the required services may be sub-
10 stituted for direct solicitation or used jointly with direct sollicita-
11 tion of proposals.

12 (b) A request for proposals need not be extended under this section
13 if

14 (1) there is a single source of the required services or if
15 one person or firm can clearly perform the required services more satis-
16 factorily because of the person's or firm's prior work; or

17 (2) the contract is for services provided to the office of
18 the ombudsman for an investigation under AS 24.55.100.

19 (c) The exemption in (b)(1) of this section applies only if

20 (1) a legislative committee by vote of the majority of its
21 members has approved the exemption and a written justification signed by
22 the person responsible for awarding the contract that details the reasons
23 for the exemption is filed under AS 24.23.060 as a public record; a
24 contract proposed for awarding under the exemption in (b)(1) of this
25 section must be approved by the committee before it is valid; or

26 (2) a member of the legislature has approved the exemption
27 and a written justification signed by that member of the legislature
28 that details the reason for the exemption is filed under AS 24.23.060.

29 Sec. 24.23.030. PREPARATION AND ACCEPTANCE OF PROPOSALS. (a) A

Bradley

1 proposal for a contract shall be self-contained and written with care
2 and thoroughness. A proposal for a contract may be accepted only if it
3 represents a sound approach to the investigation of an important legis-
4 lative concern.

5 (b) Unless the contract is for services exempt under AS 24.23.010,
6 a contract for

7 (1) the Legislative Affairs Agency shall be approved by the
8 Legislative Council;

9 (2) the legislative finance division or the legislative audit
10 division shall be approved by the Legislative Budget and Audit Committee.

11 (c) A legislative committee or member of the legislature may
12 request the Legislative Affairs Agency, the legislative finance division,
13 or the legislative audit division to carry out the responsibilities set
14 out in (a) of this section.

15 Sec. 24.23.040. AWARD OF CONTRACT. (a) If a contract is awarded
16 by a legislative committee, execution of the contract must be authorized
17 by a majority vote of the full membership of the committee.

18 (b) A contract must be executed by the provider of the service and
19 the person responsible for awarding the contract and be approved as to
20 form by the executive director of the Legislative Affairs Agency, the
21 director of the legislative finance division, or the legislative audit
22 division and also by legislative legal counsel.

23 (c) A contract awarded under this chapter shall contain the amount
24 of the contract, the period of performance under the contract, and a
25 description of the services to be performed under the contract, in
26 addition to any other provisions in the contract.

27 Sec. 24.23.050. EVALUATION. If a contract is awarded by a legis-
28 lative committee, the committee or the project director must provide a
29 written evaluation of the services provided under the contract before

Bradley

1 final payment on the contract may be made. The evaluation shall be
2 filed under AS 24.23.060 and is open for public inspection.

3 Sec. 24.23.060. FILING. A copy of each contract and each exemp-
4 tion granted under AS 24.23.020(b)(1) must be filed with the Legislative
5 Affairs Agency, the ombudsman, the legislative finance division, or the
6 legislative audit division, and is open for public inspection. The
7 request for proposals and each proposal submitted must be attached to
8 the filed copy unless the contract is one in which requests for proposals
9 are not required.

10 * Sec. 2. AS 24.55 is amended by adding a new section to read:

11 Sec. 24.55.315. CONTRACT PROCEDURES. The ombudsman shall adopt by
12 regulations procedures consistent with AS 24.23 to be followed by the
13 office of the ombudsman in contracting for services.

14 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
15 070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 26, 1982

SUBJECT: Legislative contracts
(Amendment to SCS CSHB 156 (Judiciary))

TO: Senator Arliss Sturgulewski

FROM: Richard A. Bradley *B*
Legislative Counsel

You have requested a sectional analysis of the latest version of the draft amendment prepared for you to SCS CSHB 156 (Judiciary). Under our revised procedures, another draft of this would very likely be characterized as SCS CSHB 156 (Finance).

HB 156 is a bill generally establishing procedures and requirements for the letting of contracts by the legislative branch of the state government. The bill establishes a new chapter 23 in the legislative title, AS 24.

Sec. 24.23.010 provides for the application of the chapter. As revised in the draft provided to you on February 22nd, the chapter applies to contracts for services to be provided to a legislative agency, to a legislative committee, or to a member of the legislature unless specifically excluded under one of the paragraphs of section 10.

There are five exceptions provided in section 10. The first exception from the requirements of the chapter applies when the "total amount of a contract or contracts awarded to a person . . . in a twelve month period does not exceed \$10,000"; and the provision is written in such a way that contracts that a person may have from different committees, members, or agencies of the legislature are not cumulated but are totalled individually to reach the \$10,000 threshold. Thus a person may have several individual contracts which taken together total more than \$10,000. But until the total is reached for a single member, for a single committee, or

Senator Arliss Sturgulewski
Page 2
February 26, 1982

for a single division of the legislature, sec. 10(1) exempts the contracts from the coverage of the chapter.

The second exception exempts services performed under a "written employment contract" which are "performed under direct supervision regardless of the existence of an employer-employee relationship" where a written justification is filed with the Legislative Affairs Agency. I expect this exception to be used most by legislators and committees where a contract is used in the employment of legislative staff.

The third exception covers the "construction, repair, or maintenance of a structure" if the contract does not exceed \$10,000.

In the fourth exception, the chapter does not apply where the contract is awarded on the basis of competitive bids obtained under the competitive bid procedure established in AS 37.05.230.

It may be noted that while the competitive bid procedure [under AS 37.05.230(1)(C)(vi)] exempts itself from coverage of professional services, this bill covers professional services except to the extent that they may represent the "single source" or "prior work" exception from the requirement for requests for proposals. These exceptions are discussed below in the discussion regarding sec. 20(b)(1).

The final exception excludes contracts for services provided by the state or by a municipal government.

Sec. 20(a) establishes the requirements of requests for proposals. A written request for proposals inviting bids for services that are required under a contract must be extended to assure that public interest in the award of the contract is aroused (if the contract is subject to the requirement of requests for proposals: see sec. 20(b)).

The section requires that at least six firms be solicited for bids if the contract amounts to \$100,000 and the expertise is widely available; three firms must be solicited on contracts amounting to less than \$100,000 if the expertise is widely available. Formal advertising (as in a newspaper) may be substituted for direct solicitation or used with it.