

LEG. FINANCE - BILLS 1985 - 1986 2232

SB 338 - SB 341 2232

COMMITTEE REPORT

SENATE

FURTHER:

2/24/86

Date _____

Mr. President

The Committee on FINANCE considered SB 338

repealing appropriations and reappropriating money; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
 new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER:

FINANCE

1/13/86

Date

2/21/86

Mr. President

The Committee on RESOURCES considered SB 338

repealing appropriations and reappropriating money; efd.

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

do pass

do pass with attached amendment(s)

replace with/or adopt CS for

SB 338 (Res)

new title

same title and recommends

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

reports it back without recommendation

recommend referral to _____ Committee

MEMBERS SIGNING

DO PASS

Rich Halford
Beth Ann Johnson
Tom Blough
McLellan

V. Fischer - with letter of intent protecting the capital of the Railbelt Fund.

MEMBERS HAVING

OTHER RECOMMENDATIONS

Allen Stupulski
Chairman

Do Pass
Chairman recommendation

Offered: 2/24/86
Referred: Finance

Original sponsor: Sturgulewski

Funding Information

General Fund \$271,700,000
Other Funds - 271,700,000
- 0 -

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-
7 tions for the Alaska Power Authority for Railbelt
8 energy development, Bradley Lake hydroelectric
9 project, and the power cost equalization fund; and
10 providing for an effective date."

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

12 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
13 Hydroelectric Project Financing - \$200,000,000) is repealed.

14 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
15 Hydroelectric Financing - \$50,000,000) is repealed.

16 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
17 Equalization - \$21,700,000) is repealed.

18 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
19 to the power development fund (AS 44.83.382) for the purpose of Railbelt
20 energy development.

21 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
22 to the power development fund (AS 44.83.382) for the purpose of equity
23 investment in, and rate stabilization for, the Bradley Lake hydroelectric
24 project.

25 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
26 to the power cost equalization fund (AS 44.83.162) for the purpose of
27 providing power cost equalization assistance to utilities.

28 * Sec. 7. AS 44.83.165 is amended to read:

29 S Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

ORIGINAL

1 EQUALIZATION. The sum of \$16,300,000 is appropriated on July 1, 1984,
2 [AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-
3 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-
4 tion fund (AS 44.83.162).

5 * Sec. 8. AS 44.83.410 is amended to read:

6 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
7 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
8 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
9 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
10 from the general fund to the authority for deposit in the power
11 development fund (AS 44.83.382) for the purpose of Railbelt energy
12 development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE
13 SUSITNA RIVER HYDROELECTRIC PROJECT].

14 * Sec. 9. AS 44.83.420 is amended to read:

15 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
16 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
17 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
18 authority for deposit in the power development fund (AS 44.83.382) for
19 the purpose of equity investment in, and rate stabilization for, the
20 Bradley Lake hydroelectric project.

21 * Sec. 10. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in this Act are considered obligations,
23 encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6
24 of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not
25 appropriate any more money than was previously appropriated by the appro-
26 priations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

27 * Sec. 11. The appropriations in secs. 4 and 5 of this Act are for
28 capital projects, and lapse in accordance with AS 37.25.020.

29 * Sec. 12. Sections 1 - 9 of this Act are retroactive to July 1, 1985.

1 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).
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Introduced: 1/13/86
Referred: Resources and Finance

Funding Information
General Fund \$271,700,000
Other Funds -0-
\$271,700,000

1 IN THE SENATE

BY STURGULEWSKI

2 SENATE BILL NO. 338

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act repealing appropriations and reappropriating
7 money; and providing for an effective date."

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

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18 project.

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20 to the power development fund (AS 44.83.382) for the purpose of equity
21 investment in, and rate stabilization for, the Bradley Lake hydroelectric
22 project.

23 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
24 to the power cost equalization fund (AS 44.83.162) for the purpose of
25 providing power cost equalization assistance to utilities.

26 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

ALASKA STATE LEGISLATURE

14th Legislature 2nd Session

SENATE BILL NO. 338

By STURGULEWSKI

"An Act repealing appropriations and reappropriating money; and providing for an effective date."

Introduced in the Senate ... 1/13, 19. 85

HISTORY IN THE SENATE

19 86

Read first time and referred to Committee on

1 13

Resources and Finance

2-24

Reported back with *Resumed* recommendation that *replace WFS new title, 5th phase, 1 rec to intent to finance.*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH WF-STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

MEMORANDUM

DATE: April 9, 1986

TO: Mike Greany, Director
Legislative Finance Division

FROM: P.S. Dhillon, Fiscal Analyst
Legislative Finance Division

SUBJ: Power Cost Equalization

According to Gene Dusek of the Alaska Power Authority, the estimated balances in the Power Cost Equalization/Assistance programs are as follows:

1. SLA 81, CH 90; Old Power Cost Assistance Program; \$2.2 million
2. SLA 84, Ch 171; FY85 Power Cost Equalization Program; \$4.7 million
3. SLA 85, CH 98; FY86 Power Cost Equalization Program; \$2.9 million at end of FY86

The above numbers are net of estimated liability for delinquent participants.

MUNICIPALITY OF ANCHORAGE

M E M O R A N D U M

DATE: April 9, 1986
TO: Members of the Anchorage Caucus
FROM: Mayor Tony Knowles
SUBJECT: Railbelt Energy Conference

On April 3, 1986 a special one-day conference was held at the Mat-Su Lodge in Wasilla to address railbelt energy matters. Participants included Mayors and other local government representatives from communities throughout the railbelt. All of the utilities serving the railbelt were represented by managers and/or directors. A number of utility board members, advisory board members and members of the public also attended. The high degree of participation in the conference testifies to the critical importance of current energy issues to each of the railbelt communities.

In the beginning of the conference, local government officials and utility managers and directors met separately to discuss several major issues. The two groups later convened. The principal agenda items were protection of the existing power development ^{FUND} that had been designated ~~fund~~ for the Susitna Project, creation of a railbelt energy fund from these existing monies, and the potential for joint efforts among the utilities toward the creation of a new railbelt energy entity for future power planning and development in the railbelt. Attached are the resolutions which the Mayors and the utility managers and directors passed concerning these issues.

There was unanimous agreement among the conference participants that the existing Power Development Fund for the Susitna Project, plus interest, be transferred to a new and separate account for railbelt energy, and that these funds not be spent by the State until further recommendations are made. The conference endorsed strong participation and leadership by the railbelt communities and utilities in formulating any recommendations for future use of the fund, and spoke specifically to several efforts.

Gordon Herbertz
4/9/86 jmm

First, the conference supported State action to establish an advisory group for the fund to include participation by the State administration, the legislature and all railbelt utilities.

Second, the conference endorsed a joint study by all railbelt utilities on the feasibility of forming a railbelt generation and transmission utility. Each of the utilities will now seek the appropriate authority and funding from their respective governing bodies so that the study can begin as soon as possible. The joint study on the feasibility of forming a railbelt generation and transmission utility should complement the efforts of any advisory group established pursuant to State legislation. These efforts should result in the formation of a locally directed energy entity for the railbelt. The conference resolved that the new railbelt energy fund should be conserved until such a new entity is organized.

During my recent visit to Juneau concerning railbelt energy matters, we had an opportunity to discuss briefly some of the important issues which were addressed at the Wasilla conference, including creation of a railbelt energy fund and the formulation of a railbelt generation and transmission utility. I was greatly encouraged by the high degree of conceptual agreement and the support for the leadership role of the railbelt which we advocated.

The Wasilla conference was an outstanding success. It demonstrates clearly that railbelt communities and utilities do have the ability to turn our common concerns into positive action. While the conference was only a first step, it was a significant one. People long associated with utility and energy issues in the railbelt cannot recall a similar gathering. Our job now is to move forward and to implement the resolutions we passed. I know you will do your part in this effort. I thank you on behalf of all the conference participants. I firmly believe we have set a course which will result in the best decisions for future power generation needs throughout the railbelt.



ALASKA RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

237 E. FIREWEED LANE • SUITE 301
ANCHORAGE, ALASKA 99503 • (907) 276-3235

April 1, 1986

Senator Jan Faiks, Co-Chairman
Senate Finance Committee
Pouch V
Juneau, AK 99811

Dear Senator Faiks:

At the March 27 hearing of the Senate Finance Committee on SB 338, ARECA staff was asked to present to the Committee the association's recommendations for a "working group" on Railbelt energy.

The electric cooperatives serving the Railbelt commend the legislature for its commitment to resolving the energy crisis our consumers will face in the not-too-distant future.

The establishment of a dedicated "working group," serving in an advisory capacity to both the legislature and the Alaska Power Authority, could help bring together the technical experts and policy makers responsible for changing the future course of Railbelt energy development.

To best maximize existing resources, and to involve the various groups who must be part of the decision making process on Railbelt energy, ARECA believes the advisory group should be comprised of:

- one member from each of the seven Railbelt utilities;
- one member from both the House and Senate;
- one public member;
- the executive director of the APA;

We must all work in harmony to develop a long-term energy plan to meeting the needs of Railbelt consumers. The legislature's formal establishment of an advisory group would be the first step in the development of that plan.

Respectfully,

Kenneth S. Johnson
Director of Information

cc Senate Finance Committee Members
Senate Resource Committee Members

DEMOCRACY IN ACTION

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 29, 1986

SUBJECT: CSSB 338 (Finance)
(Appropriations for Energy Programs)

TO: Senator Jan Faiks
Co-Chairman, Senate Finance

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

Enclosed is the draft CSSB 338 (Finance) you requested. Sections 4, 8, and 10 appropriate money to the Railbelt energy fund. That fund would be created under HB 699, which states that the legislature may appropriate money from the fund to assist in meeting Railbelt energy needs.

There is a question concerning how the constitutional prohibition against dedication of funds applies to the Railbelt energy fund. Article IX, Section 7 of the Alaska Constitution states

DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska. (Section 15 establishes the permanent fund.)

If a strict interpretation of the prohibition in this section is taken, the legislature may not limit the future use of money by an appropriation to a special fund. A more relaxed reading of the section would find that the appropriation by the legislature serves to meet the constitutional objective and the amount appropriated loses its status as "proceeds of any state tax or license." It would retain any limit as to use imposed by the appropriation. Of course, a

future legislature could repeal the restrictive purpose and appropriate the money for any purpose it wished, since one legislature may not bind another.

In State v. Alex, 646 P.2d 203, at 210, (Alaska 1982), the Alaska Supreme Court discusses the purpose of the amendment that changed the wording of the constitutional section from prohibiting the dedication of "all revenues" to the present language prohibiting the dedication of "proceeds of any state tax or license." The court noted

The committee's spokesman stated that the purpose of the proposed amendment was to allow for the setting up of certain special funds, such as sinking funds for the repayment of bonds, but to prohibit the earmarking of any special tax to that sinking fund. Thus, the change did not seek to exempt some sources of revenue from the prohibition, but was intended instead to allow necessary dedication of funds once they were received and placed in the general fund. Review of the convention discussion shows that the amendment was not intended to limit the prohibition of earmarking. (Citations omitted)

The examples that support that dedication after receipt include retirement contributions and the proceeds of bond sales. It is not clear whether the appropriation for the Railbelt energy fund would receive similar treatment by the court.

In an opinion issued November 30, 1982, the attorney general discussed the constitutionality of "Dedication of Money to Specific Purposes on a Continuing Basis When Appropriated." The opinion states, at 12 -13,

A question of the proper application of the dedicated funds prohibition arises when money is appropriated to a revolving loan fund or other special reserve fund or account. . . . Special reserve funds involve essentially the setting aside of money for certain specified future needs or conditions which may or may not occur. When this is done, it might be argued that the legislature has made an impermissible dedication with respect to the future use of the money placed in those funds and accounts.

Senator Faiks
Page 3
March 29, 1986

We believe the better view is that the dedication prohibition does not apply to money once appropriated by the legislature, regardless of whether the appropriation contemplates that the money will be expended. Usually appropriations authorize money to be spent. In other cases, however, the legislature may prefer to establish by general law a continuing loan program and finance it through a one-time appropriation or to reserve money in a special fund or account for future use for limited purposes. A strong argument can be made that money once appropriated, regardless of the mechanism utilized, loses its character as revenue for the purpose of the dedicated funds prohibition because the purpose of the prohibition, i.e., that the legislature retain control over state revenues, has been satisfied. (Citations omitted, emphasis in original.)

If the present legislation is challenged in court, and the court holds that the Railbelt energy fund constitutes an improper dedication of funds, it is likely that the result will be that the Railbelt fund will be treated as an account in the general fund, for the legislature to appropriate from as it sees fit.

If I may be of further assistance, please advise.

TC:ml
me1/048

MEMORANDUM

3/25/86

TO: Rep. John Sund

FROM: J. Hartle *JH* PA

CS SB 338 (Fin)

RE: Sectional analysis of CSHB 477 (Loans)

- Section 1. Repeals continuing appropriation for Susitna.
- Section 2. Repeals continuing appropriation for Bradley Lake.
- Section 3. Repeals continuing appropriation for PCE. (*Power Cost Equalization*)
- Section 4. Reappropriates \$200 million repealed in section 1, to the Railbelt Energy Fund (HB 699).
- Section 5. Reappropriates \$50 million repealed in section 2, to the Power Development Fund in the APA.
- Section 6. Reappropriates \$21.7 million repealed in section 3, to the PCE Fund.
- Section 7. Appropriates \$16.3 to PCE and repeals the continuing nature of the appropriation.
- Section 8. Appropriates \$100 million to the Power Development Fund for the purpose of Railbelt Energy Development, repeals the continuing nature of the appropriation.
- Section 9. Appropriates \$50 million to the Power Development Fund for Bradley Lake, repeals the continuing nature of this appropriation.
- Section 10. Repeals and reappropriates the unexpended and unobligated portion of the \$100 million appropriation amended in section 8 to the Railbelt Energy fund.
- Section 11. Makes clear that no new funds are appropriated in this Act, and that obligations, encumbrances and expenditures incurred against appropriations amended or repealed are legal.

Section 12. States that appropriations made here are capital and do not lapse at the end of the fiscal year.

Section 13. Effective date for the sections appropriating money that has had encumbrances made against them.

Section 14. Makes the Act effective on the creation of the Railbelt Energy Fund (HB 699)

R E S O L U T I O N

WHEREAS, the mayors of the Railbelt communities have convened a special conference at Wasilla to address Railbelt energy matters, and

WHEREAS, the Alaska State Legislature is currently addressing the subject in proposed legislation creating and appropriating for a Railbelt energy fund, and

WHEREAS, a Railbelt energy fund would benefit the consumers and communities in the Railbelt area for many years into the future, then

THEREFORE, be it resolved that:

The Railbelt mayors convened at Wasilla do endorse the concept of a Railbelt energy fund within the general fund and consisting of all of the funds appropriated to the Power Development Fund for the Susitna Project, and

BE IT FURTHER RESOLVED THAT:

The Railbelt mayors advocate conservation of the fund and interest by the State of Alaska for the Railbelt communities until such time that a Railbelt energy entity is organized and makes further recommendations to the legislature for future power generation needs.

BE IT FURTHER RESOLVED THAT:

The Railbelt mayors support the resolutions of the utility managers.

Resolution passed by Railbelt mayors and mayors' representatives this 3rd day of April, 1986 at Wasilla, Alaska.

Gordon Herbert
4/9/86

R E S O L U T I O N

WHEREAS, utility managers and directors of the Railbelt communities have convened a special conference at Wasilla to address Railbelt energy matters, and

WHEREAS, the Alaska State Legislature is currently considering proposed legislation creating and appropriating a Railbelt energy fund, and

WHEREAS, a Railbelt energy fund would benefit utility consumers in the Railbelt area for many years into the future, then

THEREFORE, be it resolved that:

The Railbelt mayors, utility managers and directors, convened at Wasilla to endorse the concept of a Railbelt energy fund within the general fund and consisting of all of the funds appropriated to the Power Development Fund for the Susitna Project.

BE IT FURTHER RESOLVED THAT:

The Railbelt mayors, utility managers and directors advocate management of the fund by the State of Alaska until such time that a Railbelt energy council is convened and makes further recommendations to the next session of the legislature.

Resolution passed by Railbelt utility managers and directors this 3rd day of April, 1986 at Wasilla, Alaska.

R E S O L U T I O N

WHEREAS, the mayors, and the utility managers and directors of the Railbelt communities convened at a special conference at Wasilla to address Railbelt energy matters, hereby

RESOLVE that the mayors, and utility managers and directors support the establishment of an advisory group consisting of; one member from each of the railbelt utilities, one member from both the House and Senate of the Alaska Legislature, one public member, and the Executive Director of the Alaska Power Authority, and further

RESOLVE that this advisory group advise the legislature on the development of a long term energy plan to meet the needs of Railbelt consumers.

Resolution passed by Railbelt utility managers and directors this 3rd day of April, 1986 at Wasilla, Alaska.

R E S O L U T I O N

WHEREAS, the utility managers and directors of the Railbelt communities have convened at a special conference at Wasilla to address Railbelt energy matters, be it

RESOLVED that this group recommend to their respective governing bodies to participate in a joint study on the feasibility of forming a Railbelt generation and transmission utility.

Resolution passed by Railbelt utility managers and directors this 3rd day of April, 1986 at Wasilla, Alaska.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

RECEIVED
APR 2 1986
MAYORS OFFICE

M E M O R A N D U M

TO: The Honorable Tony Knowles
Mayor
Municipality of Anchorage

FROM: Bill Sheffield
Governor

SUBJECT: Railbelt Energy Planning Proposal

DATE: April 2, 1986

Thank you for briefing me yesterday on your proposal that Railbelt utilities get together and form a generation and transmission entity that would leave power distribution to local entities. I encourage you to pursue the possibility of such an organization for the purpose of doing power planning for the Railbelt region. As I indicated during our meeting, I believe there needs to be a formal organization of some kind bringing the utilities together if they ever hope to finance any major projects.

As you pursue the formation of such an organization, APA will be proceeding to undertake a complete review and examination of all potential alternative sources of electrical energy for meeting Railbelt requirements; this review shall include coal, Cook Inlet natural gas, North Slope natural gas, hydroelectric (including projects in the Susitna Basin such as Devil Canyon), alternative sources of renewable and nonrenewable energy, and energy conservation.

All this data could be made available by the state to a generation and transmission utility comprised of Railbelt user groups if such an organization were formed. Financing and construction of any subsequent power-producing project might then become the responsibility of the G & T entity, as I understand your proposal.

As I told you, I remain very supportive of the \$200 million in the old Susitna power development fund being used for future Railbelt energy needs.

Please keep me informed as to developments as you proceed. Thanks again.

cc: Joyce Murphy, Chair
Chugach Electric Association

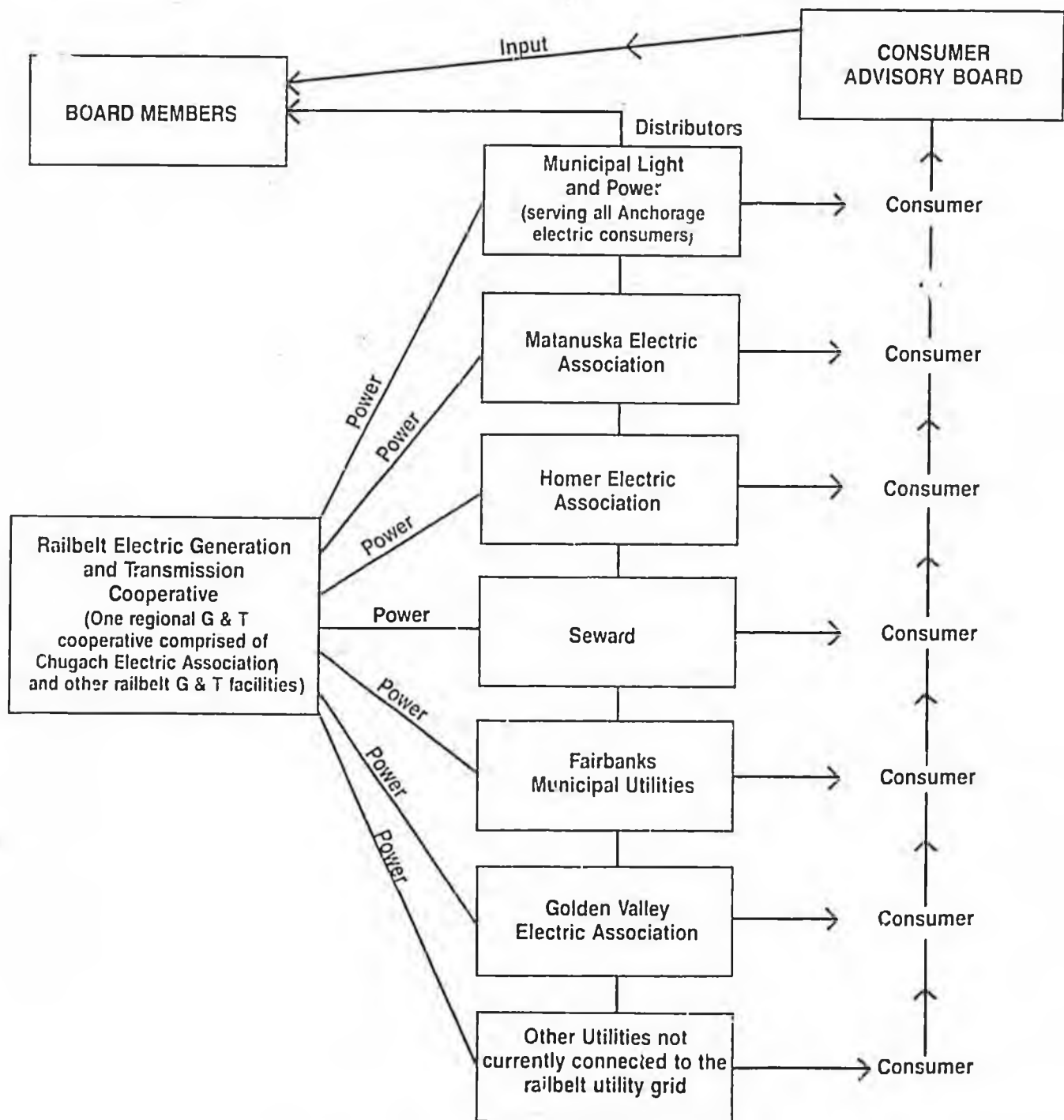
bcc: Bob Miller

PROPOSED RAILBELT ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE

- Regional Control of Electric Generation and Transmission
- Local Control of Electric Distribution

Utilities working together to:

- Plan and build regional power projects which benefit all electric utilities and consumers.
- Plan and build reliable electric transmission facilities throughout the region.
- Offer reliable electric power to all railbelt communities at the lowest possible rate, now and in the future.
- Improve emergency planning.



Cramer/Dierdorf
4/9/86

Original sponsor: Sturgulewski

Funding Information

General Fund	\$271,700,000
Other Funds	- 271,700,000
	- 0 -

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-
7 tions for energy programs; and providing for an
8 effective date."

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

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15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.83.162) for the purpose of
24 providing power cost equalization assistance to utilities.

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26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the
20 Railbelt energy fund (AS 44.25.050).

21 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
23 considered obligations, encumbrances, and expenditures of the appropria-
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
26 previously appropriated by the appropriations amended or repealed in secs.
27 1 - 3 and 7 - 9 of this Act.

28 * Sec. 12. The unexpended, unobligated and unencumbered balance of the
29 appropriation made by sec. 1, ch. 76, SLA 1979 (Office of the Governor for
CSSB 338(Fin)

1 Susitna studies - \$8,178,000) is repealed and reappropriated to the
2 Railbelt energy fund (AS 44.25.050).

3 * Sec. 13. The unexpended, unobligated and unencumbered balance of the
4 appropriation made by sec. 286, ch. 50, SLA 1980, page 67, line 6 (Power
5 project fund, feasibility analysis, Upper Susitna - \$7,000,000) is repealed
6 and reappropriated to the Railbelt energy fund (AS 44.25.050).

7 * Sec. 14. Section 6, ch. 90, SLA 1981, as amended by sec. 83, ch. 141,
8 SLA 1982, sec. 94, ch. 106, SLA 1983, and sec. 193, ch. 105, SLA 1985 is
9 amended to read:

10 Sec. 6. The sum of \$12,713,200 [\$30,813,200] is appropriated
11 from the general fund to the Alaska Power Authority for feasibility
12 studies, preconstruction design, and engineering, to be allocated to
13 the following proposed projects:

Project	Amount
(1) Black Bear Lake	\$ 1,400,000
(2) Chester Lake	1,000,000
(3) Chakachamna Lake	997,600
(4) Grant Lake	1,000,000
(5) Bethel regional study/Kisaralik	1,000,000
(6) Power Creek	392,200
(7) Susitna	[18,100,000]
(8) Tazimina Lake	2,000,000
(9) West Creek	1,000,000
(10) Rural community feasibility studies: Akhiok, Akutan, Ambler, Angcon, Atka, Chignik, Chignik Lagoon, Chignik Lake, Chuathbaluk, Cold Bay, Elim, False Pass, Goodnews Bay, Grayling, Gustavus, Ivanoff Bay, Kaltag, Karluk, Kiana, King Cove, Larsen Bay,	

Cramer ✓
3/28/86

Original sponsor: Sturgulewski

Funding Information

General Fund	\$271,700,000
Other Funds	- 271,700,000
	<u> -</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropri-
7 ations for energy programs; and providing for an
8 effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.83.162) for the purpose of
24 providing power cost equalization assistance to utilities.

25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
19 appropriation in sec. 8 of this Act is repealed and reappropriated to the
20 Railbelt energy fund (AS 44.25.050).

21 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
23 considered obligations, encumbrances, and expenditures of the appropria-
24 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
25 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
26 previously appropriated by the appropriations amended or repealed in secs.-
27 1 - 3 and 7 - 9 of this Act.

28 * Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for
29 capital projects, and lapse in accordance with AS 37.25.020.

1 * Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to
2 July 1, 1985.

3 * Sec. 14. This Act takes effect on the effective date of an Act creat-
4 ing the Railbelt energy fund.
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Original sponsor: Rules/governor

Funding Information

General Fund	\$271,700,000
Other Funds	<u>(271,700,000)</u>
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1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

2 CS FOR HOUSE BILL NO. 477 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-
7 tions for energy programs; and providing for an
8 effective date."

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

10 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
11 Hydroelectric Project Financing - \$200,000,000) is repealed.

12 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
13 Hydroelectric Financing - \$50,000,000) is repealed.

14 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
15 Equalization - \$21,700,000) is repealed.

16 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
17 to the Railbelt energy fund (AS 44.25.050) for the purpose of Railbelt
18 energy development.

19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of financing
21 the Bradley Lake hydroelectric project.

22 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
23 to the power cost equalization fund (AS 44.83.162) for the purpose of
24 providing power cost equalization assistance to utilities.

25 * Sec. 7. AS 44.83.165 is amended to read:

26 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST EQUAL-
27 IZATION. The sum of \$16,300,000 is appropriated on July 1, 1984, [AND
28 THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT
29 FISCAL YEAR] from the general fund to the power cost equalization fund

1 (AS 44.83.162).

2 * Sec. 8. AS 44.83.410 is amended to read:

3 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
4 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The sum of
5 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
6 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
7 from the general fund to the authority for deposit in the power devel-
8 opment fund (AS 44.83.382) for the purpose of Railbelt energy develop-
9 ment [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE SUSITNA
10 RIVER HYDROELECTRIC PROJECT].

11 * Sec. 9. AS 44.83.420 is amended to read:

12 Sec. 44.83.420. [CONTINUING] APPROPRIATION FOR BRADLEY LAKE
13 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
14 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
15 authority for deposit in the power development fund (AS 44.83.382) for
16 the purpose of financing [EQUITY INVESTMENT IN, AND RATE STABILIZA-
17 TION FOR,] the Bradley Lake hydroelectric project.

18 X
19 * Sec. 10. The unexpended, unobligated, and unencumbered balance of the
20 appropriation in sec. 8 of this Act is repealed and reappropriated to the
21 Railbelt energy fund (AS 44.25.050).

22 * Sec. 11. Obligations, encumbrances, and expenditures incurred against
23 appropriations repealed or amended in secs. 1 - 3 and 7 - 9 of this Act are
24 considered obligations, encumbrances, and expenditures of the appropria-
25 tions enacted in secs. 4 - 6 of this Act. The appropriations enacted in
26 secs. 4 - 6 and 10 of this Act do not appropriate any more money than was
27 previously appropriated by the appropriations amended or repealed in secs.-
28 1 - 3 and 7 - 9 of this Act.

29 * Sec. 12. The appropriations in secs. 4, 5, and 10 of this Act are for
capital projects, and lapse in accordance with AS 37.25.020.

1 * Sec. 13. Sections 1 - 3 and 5 - 9 of this Act are retroactive to
2 July 1, 1985.

3 * Sec. 14. This Act takes effect on the effective date of an Act creat-
4 ing the Railbelt energy fund.
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Introduced: 1/13/86
Referred: Resources and Finance

Funding Information
General Fund \$271,700,000
Other Funds -0-
\$271,700,000

1 IN THE SENATE BY STURGULEWSKI
2 SENATE BILL NO. 338
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act repealing appropriations and reappropriating
7 money; and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
10 Hydroelectric Project Financing - \$200,000,000) is repealed.
11 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
12 Hydroelectric Financing - \$50,000,000) is repealed.
13 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
14 Equalization - \$21,700,000) is repealed.
15 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
16 to the power development fund (AS 44.83.382) for the purpose of equity
17 investment in, and rate stabilization for, the Susitna River hydroelectric
18 project.
19 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
20 to the power development fund (AS 44.83.382) for the purpose of equity
21 investment in, and rate stabilization for, the Bradley Lake hydroelectric
22 project.
23 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
24 to the power cost equalization fund (AS 44.83.162) for the purpose of
25 providing power cost equalization assistance to utilities.
26 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

Offered: 2/24/86
Referred: Finance

Original sponsor: Sturgulewski

Funding Information

General Fund \$271,700,000
Other Funds - 271,700,000
- 0 -

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 338 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making, amending, and repealing appropria-
7 tions for the Alaska Power Authority for Railbelt
8 energy development, Bradley Lake hydroelectric
9 project, and the power cost equalization fund; and
10 providing for an effective date."

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

12 * Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna
13 Hydroelectric Project Financing - \$200,000,000) is repealed.

14 * Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake
15 Hydroelectric Financing - \$50,000,000) is repealed.

16 * Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost
17 Equalization - \$21,700,000) is repealed.

18 * Sec. 4. The sum of \$200,000,000 is appropriated from the general fund
19 to the power development fund (AS 44.83.382) for the purpose of Railbelt
20 energy development.

21 * Sec. 5. The sum of \$50,000,000 is appropriated from the general fund
22 to the power development fund (AS 44.83.382) for the purpose of equity
23 investment in, and rate stabilization for, the Bradley Lake hydroelectric
24 project.

25 * Sec. 6. The sum of \$21,700,000 is appropriated from the general fund
26 to the power cost equalization fund (AS 44.83.162) for the purpose of
27 providing power cost equalization assistance to utilities.

28 * Sec. 7. AS 44.83.165 is amended to read:

29 Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

1 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Offered: 2/24/86
Referred: Finance

Original sponsor: Sturgulewski

Funding Information

General Fund \$271,700,000
Other Funds - 271,700,000
- 0 -

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 338 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making, amending, and repealing appropriations for the Alaska Power Authority for Railbelt energy development, Bradley Lake hydroelectric project, and the power cost equalization fund; and providing for an effective date."

7

8

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

9

* Section 1. Section 3, ch. 96, SLA 1985, page 8, line 17 (Susitna Hydroelectric Project Financing - \$200,000,000) is repealed.

10

* Sec. 2. Section 3, ch. 96, SLA 1985, page 9, line 5 (Bradley Lake Hydroelectric Financing - \$50,000,000) is repealed.

11

* Sec. 3. Section 26, ch. 98, SLA 1985, page 59, line 18 (Power Cost Equalization - \$21,700,000) is repealed.

12

* Sec. 4. The sum of \$200,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of Railbelt energy development.

13

* Sec. 5. The sum of \$50,000,000 is appropriated from the general fund to the power development fund (AS 44.83.382) for the purpose of equity investment in, and rate stabilization for, the Bradley Lake hydroelectric project.

14

* Sec. 6. The sum of \$21,700,000 is appropriated from the general fund to the power cost equalization fund (AS 44.83.162) for the purpose of providing power cost equalization assistance to utilities.

15

* Sec. 7. AS 44.83.165 is amended to read:

16

Sec. 44.83.165. [CONTINUING] APPROPRIATION FOR POWER COST

1 EQUALIZATION. The sum of \$16,300,000 is appropriated on July 1, 1984,
2 [AND THE SUM OF \$21,700,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSE-
3 QUENT FISCAL YEAR] from the general fund to the power cost equaliza-
4 tion fund (AS 44.83.162).

5 * Sec. 8. AS 44.83.410 is amended to read:

6 Sec. 44.83.410. [CONTINUING] APPROPRIATION FOR RAILBELT ENERGY
7 DEVELOPMENT [SUSITNA RIVER HYDROELECTRIC PROJECT]. The s.m of
8 \$100,000,000 is appropriated on July 1, 1984, [AND THE SUM OF
9 \$200,000,000 IS APPROPRIATED ON JULY 1 OF EACH SUBSEQUENT FISCAL YEAR]
10 from the general fund to the authority for deposit in the power
11 development fund (AS 44.83.382) for the purpose of Railbelt energy
12 development [EQUITY INVESTMENT IN, AND RATE STABILIZATION FOR, THE
13 SUSITNA RIVER HYDROELECTRIC PROJECT].

14 * Sec. 9. AS 44.83.420 is amended to read:

15 Sec. 44.83.420. [CONTINUING] APPROPRIATION OR BRADLEY LAKE
16 HYDROELECTRIC PROJECT. The sum of \$50,000,000 is appropriated on
17 July 1, 1984, [OF EACH FISCAL YEAR] from the general fund to the
18 authority for deposit in the power development fund (AS 44.83.382) for
19 the purpose of equity investment in, and rate stabilization for, the
20 Bradley Lake hydroelectric project.

21 * Sec. 10. Obligations, encumbrances, and expenditures incurred against
22 appropriations repealed or amended in this Act are considered obligations,
23 encumbrances, and expenditures of the appropriations enacted in secs. 4 - 6
24 of this Act. The appropriations enacted in secs. 4 - 6 of this Act do not
25 appropriate any more money than was previously appropriated by the appro-
26 priations amended or repealed in secs. 1 - 3 and 7 - 9 of this Act.

27 * Sec. 11. The appropriations in secs. 4 and 5 of this Act are for
28 capital projects, and lapse in accordance with AS 37.25.020.

29 * Sec. 12. Sections 1 - 9 of this Act are retroactive to July 1, 1985.

1 * Sec. 13. This Act takes effect immediately in accordance with AS 01.-
2 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

1/13/86

Date 2/21/86

Mr. President

The Committee on RESOURCES considered SB 300
repealing appropriations and reappropriating money; efd.

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

do pass

do pass with attached amendment(s)

replace with/or adopt CS for SB 338 (Res)
 new title

~~same title and recommends~~ _____

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

reports it back without recommendation

recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Rich Halford
William P. ...
...
...

V. Fischer - with
letter of intent
protecting the
capital of the
Railbelt Fund.

Allen Stupulski
Chairman

Do Pass
Chairman recommendation

SENATE JUDICIARY COMMITTEE SUBSTITUTE
SENATE BILL 341
SECTIONAL ANALYSIS

(Unless otherwise indicated, "commissioner" means commissioner of administration)

SECTION 1. The purposes of the act are outlined to include: simplification, clarification, modernization of the laws; consistency among the branches of government; increased public confidence; fair and equitable treatment of all vendors; increased economy in state procurement; broad-based competition; safeguards for the maintenance of a procurement system of quality and integrity; and elimination and prevention of discrimination in state contracting.

SECTION 2. A new chapter is added to AS 36 entitled "State Procurement Code."

Article 1. Organization of State Procurement.

Sec. 36.30.005. Centralization of procurement of supplies and services for state agencies is under the authority of the commissioner of administration and the chief procurement officer. Procurement of construction and procurements to or disposals from the state equipment fleet and the control over construction and the state equipment fleet is under the commissioner of transportation and public facilities.

The University of Alaska is subject to the requirements of SB 341, but has independent administrative authority and the ability to issue its own regulations implementing the chapter in conformance with state APA requirements.

Sec. 36.30.010. The chief procurement officer is selected by the commissioner; is responsible for procurement of supplies and services for agencies in the executive branch; is a partially exempt employee; must have a minimum of 5 years in public procurement; and may be removed by the commissioner only for cause. The term of office of the Chief Procurement Officer is 4 years. Duties of the Chief Procurement Officer are enumerated.

Sec. 36.30.015. The commissioner of transportation and public facilities may delegate to another agency the authority to contract for construction, after written determination has been made that the agency is capable of implementing the delegated authority. The commissioner of administration may delegate to an agency the authority to contract for its own supplies and services after a written

determination has been made that the agency is capable of implementing the delegated authority.

The authority to adopt regulations or dispose of surplus supplies may not be delegated. Agency contracts for the services of legal counsel must be approved by the department of law.

The Board of Directors of the Alaska Railroad Corporation must adopt procedures substantially equivalent to the procurement code and regulations adopted by the commissioner.

Sec. 36.30.020. Legislative Council must adopt procedures which are substantially equivalent to the procurement code.

Sec. 36.30.030. The administrative director of the court system must adopt procedures governing the procurement of supplies, services, professional services and construction by the judicial branch. The procedures shall be based upon the competitive principles established under the code, but may be adapted to the special needs of the judicial branch as determined by the administrator of courts.

Sec. 36.30.040. Procurement regulations must be adopted by the commissioner.

Sec. 36.30.050. A list of persons who desire to provide supplies, services or construction items to the state will be established and maintained by the commissioner. Evidence of a valid Alaska business license and a statement of the contractor's qualifications must be submitted to be included on the list. Construction contractors must also submit a valid certificate of registration. A biennial fee will be charged to offset the cost of administering the list. The list may be used by the state agencies in providing notice of intent to make small purchases.

Sec. 36.30.060. Specification regulations must be adopted by the commissioner. Specifications must promote overall economy for the purposes intended, encourage competition in satisfying the state's needs, and may not be unduly restrictive.

Sec. 36.30.070. Supply management is under the authority of the commissioner and regulations must be adopted which govern management of supplies, surplus supplies and transfer of excess supplies.

Sec. 36.30.080. The department shall lease necessary space, and contract for the lease of space for the use of the state or an agency. A lease or contract for a lease

may not be for a period of occupancy greater than 40 years. The department may enter into lease-financing agreements, which are subject to annual appropriation. If the department intends to enter into a lease or lease financing agreement with an annual rent anticipated to exceed \$1,000,000, notice must be provided the legislature for approval.

Article 2. Competitive Sealed Bidding.

Sec. 36.30.100. Competitive sealed bidding is the preferred method of contracting. Competitive sealed bidding is not required for certain purchases, including professional services, which are itemized.

Sec. 36.30.110. When competitive sealed bidding is used, an invitation to bid is issued which must include the date by which the bid must be received, purchase description, and all contractual terms and conditions. Subcontractors must be listed. Evidence of a valid Alaska business license for all bidders and subcontractors must be submitted when responding to the ITB. A bidder for construction contracts must also submit evidence of the bidder's registration under AS 08.18 and evidence of registration for each listed subcontractor.

Sec. 36.30.115. Within 48 hours after the opening of bids, each bidder shall submit a list of the subcontractors the bidder proposes to use in the performance of the contract. Conditions under which a bidder may substitute a subcontractor are listed. A bidder who violates this section may either have the contract cancelled, or after notice and a hearing, be assessed a penalty in an amount not exceeding 10% of the value of the subcontract at issue.

Sec. 36.30.120. Bid security shall be required for all competitive sealed bidding for construction contracts which exceed an amount established by regulation. Bid security may be required for other types of supplies and services.

Sec. 36.30.130. Public notice of the ITB must be provided 21 days before the date for the opening of the bid, unless otherwise determined in writing by the chief procurement officer, or the commissioner of transportation and public facilities for construction or state equipment bids. Notice of solicitations must be published in the Alaska Administrative Journal. The state is liable for failing to substantially comply with the notice requirements of this section.

Sec. 36.30.140. Bid opening must be public, in the presence of witnesses, and relevant information must be recorded, which is open to public inspection. The bids are not open for public inspection until after a notice of intent to award a contract has been issued.

Sec. 36.30.150. The procurement officer must evaluate bids based on the requirements set out in the ITB. The criteria used for the evaluation of an award must be objectively measurable. Criteria may not be used in bid evaluation if they are not set out in the ITB.

A contract based on total or life cycle costs may be awarded only when the chief procurement officer or the commissioner of transportation and public facilities determines in writing that the contract promotes overall economy for the purposes intended, encourages competition, is not unduly restrictive, and is in the best interest of the state.

Sec. 36.30.160. Bids received after the bid due date indicated on the ITB may not be accepted unless the delay was due to an error of the contracting agency.

Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on bid mistakes shall be permitted in accordance with regulations and supported by written justification.

Sec. 36.30.170. Awards to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the ITB shall be promptly made. The Alaska bidder preference is expanded to apply to all construction contracts. The lowest responsible and responsive Alaskan bidder with a bid not more than 10% higher than the lowest bid of a nonresident shall be awarded the contract. An Alaskan bidder who qualifies as an "employment program" shall be given preference also.

Sec. 36.30.190. Multi-step sealed bidding is allowed when it is considered impractical to initially prepare a definitive purchase description to support an award based on price. Unpriced technical offers are submitted, followed by an ITB limited to the bidders whose offers are determined to be technically qualified under the criteria established.

Article 3. Competitive Sealed Proposals.

Sec. 36.30.200. Contracts may be awarded by competitive sealed proposals when the chief procurement officer, or

the commissioner of transportation and public facilities for construction and state equipment fleet contracts, determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the state.

Sec. 36.30.210. Request for proposals must contain the same information required for ITBs. The same notice provisions for ITBs apply for RFPs. An offeror must list the subcontractors within 48 hours after the date by which the proposals must be received. The same duties of bidders under ITBs apply to competitive sealed proposals.

Sec. 36.30.220. Standard overhead rate established by agencies and applicable to contracts for supplies and services, must be included in a RFP.

Sec. 36.30.230. Proposals are to be opened in a manner which avoids disclosure of contents to competing offerors during the process of negotiation. A register of proposals containing the name and address of each offeror shall be prepared and open for public inspection after the the notice of intent to award a contract is issued.

Sec. 36.30.240. Discussions with responsible offerors, who submit proposals determined to be reasonably susceptible of being selected for award, may be conducted for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals. Revisions may be permitted after submissions and before the award for the purpose of obtaining best and final offers. These discussions are exempted from the Alaska Open Meetings law.

Sec. 36.30.250. A contract under competitive sealed proposals shall be awarded to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the state taking into consideration price, the evaluation factors set out in the RFP, and whether the offeror qualifies as an Alaskan Bidder or is offering the services of an employment program.

Sec. 36.30.260. A contract awarded under competitive sealed proposals must contain: the amount of the contract; the date for supplies to be delivered or the term for services to be performed; a description of the services or supplies contracted for; and a certification that sufficient funds are available for the amount of the contract.

Sec. 36.30.270. Special procedures apply to contracts awarded to architects, engineers, and land surveyors. These provisions only apply to contracts negotiated by the executive branch.

Article 4. Other Procurement Methods.

Sec. 36.30.300. Sole source procurements may only be awarded if it is determined in writing that there is only one source for the required supply, service or construction. A sole source procurement may not be approved if a reasonable alternative source exists.

Sec. 36.30.310. Emergency procurements may be authorized under emergency conditions when there exists a threat to public health, welfare, or safety, and procurement through competitive sealed bids or competitive sealed proposals is impracticable, or contrary to the public interest, or to protect public or private property. A written determination of the basis for the emergency and for the selection of the particular contractor must be provided.

Sec. 36.30.320. Small procurements which do not exceed an aggregate amount of \$5,000 shall be made with competition that is practicable under the circumstances. A contract for professional services that does not exceed \$25,000 may be made in accordance with regulations adopted by the commissioner. Notice of small procurements shall be provided to Alaskan bidders designated by the commissioner under section 36.30.050(d).

Article 5. Contract Formation and Modification.

Sec. 36.30.340. If a contract contains a term that is in conflict with a state standard form contract term or if a standard term is deleted or modified by a term that is not standard, the contract must be approved by the department of law.

Sec. 36.30.350. Solicitations may be cancelled or any bids or proposals may be rejected, in whole or in part, or the date for opening bids or proposals may be delayed as may be specified in the solicitation, when it is in the best interest of the state. The reasons for cancellation, rejection, or delay in opening bids or proposals shall be made part of the contract file.

Sec. 36.30.360. A written determination of responsibility of a bidder or offeror shall be made by the procurement officer.

Sec. 36.30.362. The procurement officer must issue a written statement explaining the reasons a contract was awarded to a person who does not reside or maintain a place of business in Alaska, if the supplies, services, professional services or construction could have been obtained from in-state sources.

Sec. 36.30.365. At least 10 days before the formal award of a contract the procurement officer shall provide to each bidder or offeror notice of intent to award a contract.

Sec. 36.30.370. Any type of contract that will promote the best interests of the state may be used, except that the use of a cost-plus-a-percentage-of cost contract is prohibited.

Sec. 36.30.380. Except with respect to contracts awarded through competitive sealed bidding or firm fixed-price contracts, a contract type may not be used unless it has been approved in writing by the procurement officer.

Sec. 36.30.390. Unless otherwise provided by law, multi-term contracts are permitted, but subject to availability and appropriation of funds. Written determination must support multi-term contracts.

When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal periods, the contract shall be cancelled. The contractor may only be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the contract that are not otherwise recoverable.

Sec. 36.30.400. Cost or pricing data must be submitted and certified by contractors. This does not apply when: the contract price is based on adequate price competition; the contract price is set by law or regulation; or it is determined in writing that the requirements of this section are waived and the reasons for waiver are stated in writing.

Sec. 36.30.410. The state has the right to inspect the plant or place of business of a contractor or subcontractor that is related to the performance of a contract awarded or to be awarded by the state.

Sec. 36.30.420. The state may audit books and records of a person who has submitted cost or pricing data or receives a contract.

Sec. 36.30.430. The commissioner shall adopt regulations permitting the inclusion of clauses providing for adjustments in prices, time of performance, or other contract provisions, and appropriate remedies.

Sec. 36.30.460. Standard clauses in state contract may be modified if supported by a written determination that states the circumstances justifying the variation.

Sec. 36.30.470. If the certification of the fiscal officer or other responsible official discloses a resulting increase in the total project budget or the total contract budget, the procurement officer may not execute the contract modification, change order, or adjustment in contract price unless sufficient funds are available, or the scope of the project or contract is adjusted to permit the degree of completion that is feasible within the total project budget or total contract budget as it existed before the contract modification, change order, or adjustment in contract price.

Sec. 36.30.480. Cost principle regulations shall be adopted.

Article 6. Procurement Records and Reports.

Sec. 36.30.500. Procurement records shall be retained and disposed of in accordance with records retention guidelines and schedules approved by the state archivist.

Sec. 36.30.510. A contract file open for public inspection must be kept by the commissioner and the contracting agency for each contract awarded under competitive sealed proposals. The file kept by the commissioner shall contain a summary of the information in the file of the contracting agency.

Sec. 36.30.520. The commissioner shall maintain for at least 5 years a record listing all sole source and emergency procurement contracts. An agency which has delegated procurement authority shall by October 1, of each year, submit records of all sole source and emergency procurement contracts to the commissioner.

Sec. 35.30.530. Procurement information is public except as otherwise provided by law.

Sec. 36.30.540. The commissioner shall biennially report to the legislature concerning procurements by agencies.

Article 7. Legal and Contractual Remedies.

Sec. 36.30.560. An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for goods, services or construction. The protest shall be filed with the procurement officer of the contracting agency in writing and must contain specified items.

Sec. 36.30.565. Time deadlines for filing protests are specified.

Sec. 36.30.570. Notice of a protest shall immediately be given to the contractor if a contract has been awarded or, if no award has been made, to all interested parties.

Sec. 36.30.575. If a protest is filed before a contract is awarded, the award may be made unless the procurement officer of the contracting agency determines in writing that: a reasonable probability exists that the protest will be sustained; or stay of the award is not contrary to the best interests of the state.

Sec. 36.30.580. A written decision by the procurement officer of the contracting agency shall be issued within 14 days after a protest has been filed, unless the time is extended up to 26 days for good cause. Notice shall be sent to the protester. If a decision is not made by the due date, the protester may proceed as if the procurement officer had issued a decision adverse to the protester.

Sec. 36.30.585. If the procurement officer sustains a protest the procurement officer shall implement an appropriate remedy.

Sec. 36.30.590. An appeal from a decision of a procurement officer on a protest must be filed with the appropriate commissioner within 5 days after the decision is received by the protester.

Sec. 36.30.595. The procurement officer shall immediately give notice of an appeal to the contractor if a contract has been awarded, or, if no award has been made, to all interested parties.

Sec. 36.30.600. If a protest appeal is filed before a contract is awarded and the award was stayed, the filing of the appeal automatically continues the stay until the commissioner of administration or transportation and public facilities makes a written determination that the award of the contract is necessary to protect substantial interests of the state.

Sec. 36.30.605. The procurement officer of the contracting agency shall file a complete report on the protest and decision with the commissioner of administration or transportation and public facilities within 7 days after a protest appeal is filed. The protester and all interested parties that have requested a copy of the appeal shall be furnished one. The protester may file comments on the protest report within 7 days after the report is received. Extensions may be granted.

Sec. 36.30.610. The commissioner of administration or transportation and public facilities shall dismiss a protest appeal before a hearing is held if it is determined in writing that the appeal is untimely. The appropriate commissioner may issue a decision on an appeal without a hearing if the appeal involves questions of law without genuine issues of fact.

Sec. 36.30.615. A hearing on a protest appeal shall be conducted according to AS 36.30.670 and regulations adopted.

Sec. 36.30.620. If a controversy, asserted by a contractor, concerning a contract awarded under this chapter cannot be resolved by agreement, the procurement officer shall, after receiving a written request by the contractor, issue a written decision no more than 90 days after receipt of all necessary information from the contractor, unless the due date is extended for good cause.

The decision shall be sent to the contractor. If a decision is not made by the due date, the contractor may proceed as if the procurement officer had issued a decision adverse to the contractor. If a controversy asserted by the state concerning a contract awarded cannot be resolved by agreement, the matter shall be immediately referred to the commissioner of administration or transportation and public facilities.

Sec. 36.30.625. An appeal from a decision of the procurement officer on a contract controversy may be filed by the contractor with the commissioner of administration or transportation and public facilities. The appeal shall be filed within 14 days after the decision is received by the contractor.

Sec. 36.30.630. A hearing on a contract controversy appealed to the commissioner or referred to the commissioner shall be conducted according to AS 36.30.670 and regulations adopted.

Sec. 36.30.632. The commissioners of administration and transportation and public facilities may delegate responsibilities under Sec. 36.30.590 and Sec. 36.30.630 to the head of the contracting agency.

Sec. 36.30.635. The commissioners of administration and transportation and public facilities may debar or suspend a person from consideration for award of contracts. Notice and opportunity for a hearing are specified.

Sec. 36.30.640. Causes for debarment or suspension are enumerated.

Sec. 36.30.645. The commissioners of administration and transportation and public facilities shall issue a written decision to debar or suspend.

Sec. 36.30.650. A person suspended is entitled to a hearing if the person files a written request for a hearing within 7 days after receipt of the notice of suspension.

Sec. 36.30.655. The commissioner shall maintain a list of all persons debarred or suspended from consideration for award of contracts.

Sec. 36.30.660. The commissioner of administration or the commissioner of transportation and public facilities may, at any time after a final decision to debar a person, reinstate the person after determining that the cause for which the person was debarred no longer exists or has been substantially mitigated.

A debarred person may request reinstatement. A hearing may be held on a reinstatement petition. A decision on reinstatement shall be made in writing within 7 days after a reinstatement petition is submitted. A decision under this section is not subject to judicial appeal.

Sec. 36.30.665. The commissioner of administration or transportation and public facilities may permit a debarred person to participate in a contract on a limited basis during the debarment period.

Sec. 36.30.670. The commissioner of administration or transportation and public facilities shall act as a hearing officer or appoint a hearing officer for a hearing conducted under this chapter. The provisions of the Administrative Procedure Act do not apply to a hearing conducted under this chapter. The authority of a hearing officer is outlined.

Sec. 36.30.675. If the commissioner of administration or transportation and public facilities is not acting as hearing officer, the hearing officer shall recommend a decision to the appropriate commissioner based on the evidence presented. The recommendation shall include findings of fact and conclusions of law. The appropriate commissioner may affirm, modify or reject the hearing

officer's recommendation or take any other appropriate action.

Sec. 36.30.680. A decision by the commissioner of administration is final, and shall be sent within 20 days after a hearing to all parties. A decision by the commissioner of transportation and public facilities involving procurement of construction shall be sent within 90 days after the hearing.

Sec. 36.30.685. A final decision of the commissioner of administration or transportation and public facilities may be appealed to the superior court in accordance with the Alaska Rules of Appellate Procedure.

Sec. 36.30.687. Civil and criminal sanctions are outlined for misrepresentations and fraudulent claims.

Sec. 36.30.690. This chapter and the regulations adopted under it are the exclusive procedures for asserting a claim against the state or an agency arising in relation to a procurement conducted under this chapter.

Sec. 36.30.695. The commissioner of administration may adopt by regulation additional rules of procedure.

Sec. 36.30.699. The definition of interested party is given.

Article 8. Intergovernmental Relations.

Sec. 36.30.700. Cooperative purchasing is authorized between public procurement units or external procurement activities in accordance with an agreement entered into between the participants.

Sec. 36.30.710. Sale, acquisition, or use of supplies among public procurement units or with external procurement activity may be done independent of certain requirements of this chapter.

Sec. 36.30.720. Joint use of facilities is allowable.

Sec. 36.30.730. A public procurement unit may provide personnel, information and technical services to a requesting public procurement unit or external procurement activity.

Sec. 36.30.735. Current Alaska law on restrictions of contracting with or employing experts on radiation hazards is retained.

Sec. 36.30.740. The commissioner may collect information concerning supplies, services or construction being procured or used by state public procurement units.

Sec. 36.30.750. Under a cooperative purchasing agreement, controversies arising between an administering public procurement unit and its bidders, offerors, or contractors shall be resolved in accordance with this chapter.

Sec. 36.30.790. Definitions for this article are provided.

Article 9. General Provisions.

Sec. 36.30.850. This chapter applies to contracts solicited or entered into after January 1, 1987, unless the parties agree to its application to a contract solicited or entered into before that date. This chapter applies to the disposal of state supplies and every expenditure of public funds irrespective of their sources, except as specified in AS 36.30.915.

This chapter does not apply to: grants; contracts for professional witnesses; contracts of the University of Alaska where the work is to be performed substantially by enrolled students; contracts for medical doctors and dentists; contracts for the purchase of residential child care services under AS 47.40; disposals of land or interest in land; disposals under AS 38.05; contracts for the preparation of ballots under AS 15.15.030; acquisitions or disposals of property and other contracts relating to airports; acquisitions of real property or disposals of obsolete property under AS 19.05.060, 19.05.100, 19.05.110 or 19.05.120; disposals of obsolete material or equipment under AS 35.20.060; leases of ferry terminal facilities under AS 19.60.010; or contracts of the department of fish and game for non-point-to-point flights requiring specialized flying and piloting skills.

Except for AS 36.30.700-36.30.895, this chapter does not apply to contracts between two or more agencies, the state and its political subdivisions, or the state and other governments.

Sec. 36.30.860. Unless displaced by the particular provision of this chapter, all other principles of law and equity shall supplement the provisions of this chapter.

Sec. 36.30.870. Regulations under this chapter shall be adopted in accordance with the Administrative Procedure Act. Regulations applicable to procurements of construction or procurements for or disposal of property

of the state equipment fleet shall be adopted by the commissioner of administration only after consultation with the commissioner of transportation and public facilities.

Sec. 36.30.880. This chapter requires all parties involved in the negotiation, performance, or administration of state contracts to act in good faith.

Sec. 36.30.890. If a procurement involves the expenditure of federal funds or federal assistance and there is a conflict between a provision of this chapter or a regulation adopted under a provision, the federal statute or regulation shall prevail.

Sec. 36.30.900. This chapter does not modify, amend, or alter laws regarding preference for Alaska forest products or preference to producers or dealers in Alaska, except as provided in AS 36.30.170(b) and (c).

Sec. 36.30.910. This chapter does not prevent purchasing through the general services administration as provided by law.

Sec. 36.30.920. Suspected anticompetitive practices are to be reported to the attorney general.

Sec. 36.30.930. In addition to penalties prescribed for unethical conduct, civil and criminal penalties are provided for violations of this chapter.

Sec. 36.30.940. The attorney general on behalf of the state shall enforce the provisions of this chapter.

Sec. 36.30.990. Definitions.

Sec. 36.30.995. This chapter may be cited as the State Procurement Code.

SECTION 3 through SECTION 66 amend other Alaska statutes to reflect the provisions of this chapter.

SECTION 67. The commissioner must report to the legislature by December 1, 1987, concerning procurements by state agencies during the first 6 months of 1987.

SECTION 68. The commissioner of administration shall adopt the regulations required under this chapter by January 1, 1987.

SECTION 69. This is the repealer section.

SECTION 70. Section 68 of this Act takes effect immediately.

SECTION 71. Except as provided in sec. 70, this Act takes effect January 1, 1987.

COMMITTEE REPORT
SENATE

FURTHER:

3/19/86

Date 4/1/86

Mr. President

The Committee on FINANCE considered SB 341
relating to state procurement and practices and procedures; efd.

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

- do pass
- ~~do pass~~ with attached amendment(s)
- replace with/or adopt CS for SB 341 (Jud.)
new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation 8
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

~~John~~ No Rec
Richard Hallock No Rec
Paul Frick No Rec
John Pickett - " "

Chairman
 Co - Chairman
Chairman recommendation

AMENDMENT #1

TO: CS SB 341 (Jud)

BY: Finance Committee

- Page 5, Line 9 After the word "The" delete "board" and insert boards.
- Page 5, Line 9 After the word "Corporation" insert and the Alaska State Housing Authority
- Page 7, Line 21 After the word "system," insert the Alaska State Housing Authority,
- Page 49, Line 22 After the word "municipality" insert or the Alaska State Housing Authority
- Page 52, Line 12 After the word "bequest" delete "or"
- Page 52, Line 13 After the word "agreement" insert or federal assistance agreement.
- Page 53, Line 6 After the word "statute" delete "or"
- Page 53, Line 6 After the word "regulation" insert , policy or requirment,
- Page 53, Line 7 After the word "statute" delete "or".
- Page 53, Line 7 After the word "regulation" insert , policy or requirement,
- Page 54, Line 12 After the "University of Alaska" insert , the Alaska State Housing Authority
- Page 55, Line 4 After the word "property;" insert nor does it include the construction of public housing.
- Page 62, Delete Lines 22 - 27. (Section 10 in its entirety).

AMENDMENT #2

TO: CS for SB 341 (Jud)

BY: Finance Committee

Page 10, Line 18 After the word "Within" delete "48
hours" and insert two working days

Page 10, Line 19 After the word "bids," delete "each
bidder" and insert the apparent two
lowest bidders

Page 11, Line 5 After the word "listed;" insert the
following:

(7) must be substituted in order for the
prime contractor to satisfy required
federal affirmative action
requirements;

(8) Refuses to agree or abide with the
bidder's labor agreement;

Renumber remaining sections accordingly

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Fin)
 Title : Act relating to state
procurement practices & procedures

Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Administration
 BRU : General Services & Supply

Components : Purchasing

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		350.0	367.5	385.9	405.2	425.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		350.0	367.5	385.9	405.2	425.4
FEDERAL FUNDS						
OTHER						
TOTAL		350.0	367.5	385.9	405.2	425.4

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman
 Division : Senate Finance Committee

Phone : 465-4523
 Date : 4/1/86

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Jud)
 Title : Act relating to state
procurement practices & procedures

Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Administration
 BRU : Div of Admin Services

Components : Administrative Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman Phone : 465-4523
 Division : Senate Finance Committee Date : 4/1/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Jud)
 Title : Act relating to state
procurement practices & procedures

FISCAL DETAIL

Agency Affected : Commerce & Economic Dev
 BRU : Alaska State Housing Authority

Sponsor Rules by Request _____
 Requestor : _____
 Date of Request : _____

Components : Housing Management

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
----------------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
----------------	--	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman Phone : 465-4523
 Division : Senate Finance Committee Date : 4/1/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSB 341 (Jud)
 Title : Act relating to state procurement practices & procedures
 Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Community & Regional Affairs
 BRU : Local Govt Assistance; Child Assistance, Displaced Homemakers, Admin & Support
 Components : Grants Admin, Child Care, Displaced Homemakers, Admin Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman Phone : 465-4523
 Division : Senate Finance Committee Date : 4/1/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Jud)
 Title : Act relating to state

Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Natural Resources
 BRU : Management & Administration

Components : Administrative Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman Phone : 465-4523
 Division : Senate Finance Committee Date : 4/1/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Jud)
 Title : Act relating to state
procurement practices & procedures
 Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Environmental
Conservation
 BRU : _____
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman
 Division : Senate Finance Committee

Phone : 465-4523
 Date : 4/1/86

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No: SB 341 (Jud)
 Title: State Procurement Practices

Sponsor: Rules Committee
 Requestor: Interim Comm. on Procurement
 Date of Request: 1/16/86

FISCAL DETAIL

Agency Affected: Public Safety
 BRU: Administration

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Sid LaMonica, Administrative Officer Phone: 465-4328
 Division: Public Safety Date: 1/16/86

Approved by Commissioner: [Signature] Date: 1-22-86
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341 (Jud)
 Title : Act relating to state
procurement practices & procedures

Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Transportation
and Public Facilities
 BRU : _____

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman *Jan Faiks* Phone : 4654523
 Division : Senate Finance Committee *JF* Date : _____

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 3/19/86
Referred: Finance

Original sponsor: Rules Committee
By Request

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 CS FOR SENATE BILL NO. 341 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to state procurement practices and
7 procedures; and providing for an effective date."

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

9 * Section 1. PURPOSE. This Act shall be construed and applied to
10 promote its underlying purposes and policies. The underlying purposes and
11 policies of this Act are to

12 (1) simplify, clarify, and modernize the law governing pro-
13 curement by the state;

14 (2) establish consistent procurement principles for all branches
15 of state government;

16 (3) provide for increased public confidence in the procedures
17 followed in state procurement;

18 (4) ensure the fair and equitable treatment of all persons who
19 deal with the procurement system of the state;

20 (5) provide increased economy in state procurement activities
21 and maximize to the fullest extent practicable the purchasing value of
22 state funds;

23 (6) foster effective broad-based competition within the free
24 enterprise system;

25 (7) provide safeguards for the maintenance of a procurement
26 system of quality and integrity;

27 (8) permit the continued development of state procurement prac-
28 tices and policies; and

29 (9) eliminate and prevent discrimination in state contracting

1 because of race, religion, color, national origin, sex, age, marital sta-
2 tus, pregnancy, parenthood, handicap, or political affiliation.

3 * Sec. 2. AS 36 is amended by adding a new chapter to read:

4 CHAPTER 30. STATE PROCUREMENT CODE.

5 ARTICLE 1. ORGANIZATION OF STATE PROCUREMENT.

6 Sec. 36.30.005. CENTRALIZATION OF PROCUREMENT AUTHORITY. (a)

7 Except as otherwise provided, all rights, powers, duties, and author-
8 ity relating to the procurement of supplies, services, and profes-
9 sional services, and the control over supplies, services, and profes-
10 sional services vested in or exercised by an agency on January 1,
11 1987, are transferred to the commissioner of administration and to the
12 chief procurement officer. Authority granted under this subsection
13 shall be exercised in accordance with this chapter.

14 (b) Except as otherwise provided, all rights, powers, duties,
15 and authority relating to the procurement of construction and procure-
16 ments of equipment or services for the state equipment fleet and the
17 control over construction of state facilities and the state equipment
18 fleet vested in or exercised by an agency on January 1, 1987, are
19 transferred to the commissioner of transportation and public
20 facilities, subject to regulations adopted by the commissioner of
21 administration. Notwithstanding AS 44.71.010, authority relating to
22 disposals from the state equipment fleet is vested in the the
23 commissioner of transportation and public facilities, subject to
24 regulations adopted by the commissioner of administration. Authority
25 granted under this subsection shall be exercised in accordance with
26 this chapter.

27 (c) Notwithstanding other provisions of law, all rights, powers,
28 duties, and authority relating to the procurement of supplies, servi-
29 ces, professional services, and construction and the disposal of

1 supplies for the University of Alaska are transferred to the Board of
2 Regents. To the maximum extent possible, authority granted under this
3 subsection shall be exercised in accordance with this chapter. The
4 Board of Regents shall adopt regulations under this subsection that
5 are substantially equivalent to the regulations adopted by the commis-
6 sioner of administration to implement this chapter. For the purposes
7 of this subsection, unless the context otherwise requires, in this
8 chapter

9 (1) "agency" means a subunit of the University of Alaska;

10 (2) "commissioner," "commissioner of administration," or
11 "commissioner of transportation and public facilities" means the Board
12 of Regents; and

13 (3) "chief procurement officer" or "attorney general" means
14 the president of the University of Alaska.

15 Sec. 36.30.010. CHIEF PROCUREMENT OFFICER. (a) The commis-
16 sioner shall appoint to the partially exempt service the chief pro-
17 curement officer of the state. The chief procurement officer must
18 have at least five years of prior experience in public procurement,
19 including large scale procurement of supplies, services, or profes-
20 sional services, and must be a person with demonstrated executive and
21 organizational ability. The chief procurement officer may be removed
22 by the commissioner only for cause. The term of office of the chief
23 procurement officer is four years.

24 (b) Except as otherwise specifically provided in this chapter,
25 the chief procurement officer shall

26 (1) procure or supervise the procurement of all supplies,
27 services, and professional services needed by an agency;

28 (2) exercise general supervision and control over all
29 inventories of supplies belonging to an agency and prescribe the

1 manner in which supplies shall be purchased, delivered, stored, and
2 distributed;

3 (3) prescribe the time, manner, authentication, and form of
4 making requisitions for supplies and services;

5 (4) sell, trade, transfer between agencies, or otherwise
6 dispose of surplus, obsolete, or unused supplies and make proper
7 adjustments in the accounts of agencies concerned;

8 (5) establish and maintain programs for the inspection,
9 testing, and acceptance of supplies and services and the testing of
10 samples submitted with bids;

11 (6) prescribe standard forms for bids and contracts; and

12 (7) provide for other matters that may be necessary to
13 carry out the provisions of this chapter and the regulations adopted
14 under this chapter.

15 Sec. 36.30.015. EXECUTIVE BRANCH AGENCIES. (a) The commis-
16 sioner of transportation and public facilities may delegate to another
17 agency the authority to contract for construction. Before delegating
18 authority to an agency under this subsection, the commissioner of
19 transportation and public facilities shall make a written determina-
20 tion that the agency is capable of implementing the delegated author-
21 ity. Notwithstanding delegation of authority under this subsection,
22 contracts for construction are governed by this chapter and regula-
23 tions adopted by the commissioner of administration under this chap-
24 ter.

25 (b) The commissioner of administration may delegate to an agency
26 the authority to contract for and manage services, professional servi-
27 ces, and supplies. Notwithstanding delegation of authority under this
28 subsection, an agency's exercise of the authority is governed by this
29 chapter and regulations adopted by the commissioner under this

1 chapter. Before delegating authority to an agency under this
2 subsection, the commissioner shall make a written determination that
3 the agency is capable of implementing the delegated authority.

4 (c) The commissioner of administration may not delegate the
5 authority to dispose of supplies or the authority to adopt regulations
6 under this chapter.

7 (d) An agency may not contract for the services of legal counsel
8 without the approval of the attorney general.

9 (e) The board of directors of the Alaska Railroad Corporation
10 shall adopt procedures to govern the procurement of supplies, ser-
11 vices, professional services, and construction by the corporation.
12 The procedures must be substantially equivalent to the procedures pre-
13 scribed in this chapter and in regulations adopted under this chapter.

14 Sec. 36.30.020. LEGISLATURE. The Legislative Council shall
15 adopt procedures to govern the procurement of supplies, services,
16 professional services, and construction by the legislature, legisla-
17 tors, and legislative agencies and committees. The procedures must be
18 substantially equivalent to the procedures prescribed in this chapter.

19 Sec. 36.30.030. COURT SYSTEM. The administrative director of
20 courts shall adopt procedures to govern the procurement of supplies,
21 services, professional services, and construction by the judicial
22 branch. The procedures must be based on the competitive principles
23 established under this chapter and must be adapted to the special
24 needs of the judicial branch as determined by the administrator of
25 courts.

26 Sec. 36.30.040. PROCUREMENT REGULATIONS. (a) The commissioner
27 shall adopt regulations governing the procurement, management, and
28 control of supplies, services, professional services and construction
29 by agencies. The commissioner may audit and monitor the imple-

1 mentation of the regulations and the requirements of this chapter with
2 respect to using agencies.

3 (b) The commissioner shall adopt regulations pertaining to the
4 following:

5 (1) suspension, debarment, and reinstatement of prospective
6 bidders and contractors;

7 (2) bid protests;

8 (3) conditions and procedures for the procurement of per-
9 ishables and items for resale;

10 (4) conditions and procedures for the use of source selec-
11 tion methods authorized by this chapter, including sole source pro-
12 curements, emergency procurements, and small procurements;

13 (5) the opening or rejection of bids and offers, and waiver
14 of informalities in bids and offers;

15 (6) confidentiality of technical data and trade secrets
16 submitted by actual or prospective bidders or offerors;

17 (7) partial, progressive, and multiple awards;

18 (8) storerooms and inventories, including determination of
19 appropriate stock levels and the management of agency supplies;

20 (9) transfer, sale or other disposal of supplies;

21 (10) definitions and classes of contractual services and
22 procedures for acquiring them;

23 (11) providing for conducting price analysis;

24 (12) use of payment and performance bonds in connection with
25 contracts for supplies, services, and construction;

26 (13) guidelines for use of cost principles in negotiations,
27 adjustments, and settlements;

28 (14) conditions under which an agency may use the services
29 of an employment program as defined under AS 36.30.100(c);

1 (15) a bidder's or offeror's duties under AS 36.30.115 and
2 36.30.210; and

3 (16) the elimination and prevention of discrimination in
4 state contracting because of race, religion, color, national origin,
5 sex, age, marital status, pregnancy, parenthood, handicap, or politi-
6 cal affiliation.

7 Sec. 36.30.050. LISTS OF CONTRACTORS. (a) The commissioner
8 shall establish and maintain lists of persons who desire to provide
9 supplies, services, professional services, or construction services to
10 the state.

11 (b) A person who desires to be on a list shall submit to the
12 commissioner evidence of a valid Alaska business license together with
13 a biennial fee established by regulation in an amount reasonably
14 calculated to pay the costs of administering this section. A con-
15 struction contractor shall also submit a valid certificate of regis-
16 tration issued under AS 08.18. The commissioner, by regulation, may
17 require submission of additional information.

18 (c) The lists may be used by the chief procurement officer or an
19 agency when issuing invitations to bid or requests for proposals under
20 this chapter. The lists may be used by the Legislative Council, the
21 court system, and the Alaska Railroad Corporation.

22 (d) The lists shall be used in providing notice of intent to
23 make a small procurement to Alaska bidders as defined under
24 AS 36.30.170(c). A procurement officer who intends to make a
25 procurement under AS 36.30.320 shall request names from the appropri-
26 ate list and the department shall furnish names of Alaska bidders on a
27 rotating basis from the list in response to each request.

28 Sec. 36.30.060. SPECIFICATIONS. (a) The commissioner shall
29 adopt regulations governing the preparation, revision, and content of

1 specifications for supplies, services, professional services, and
2 construction required by an agency. The commissioner shall monitor
3 the use of these specifications.

4 (b) Specifications for construction of highways must conform as
5 closely as practicable to those adopted by the American Association of
6 State Highway and Transportation Officials.

7 (c) The commissioner may obtain expert advice and assistance
8 from personnel of using agencies in the development of specifications.
9 Specifications must promote overall economy for the purposes intended
10 and encourage competition in satisfying the state's needs, and may not
11 be unduly restrictive. The requirements of this subsection regarding
12 the purposes and nonrestrictiveness of specifications apply to all
13 specifications, including those prepared by architects, engineers,
14 designers, and other professionals.

15 (d) In this section, "specification" means a description of the
16 physical or functional characteristics, or of the nature of a supply,
17 service, professional service, or construction project; it may include
18 requirements for licensing, inspecting, testing, and delivery.

19 Sec. 36.30.070. SUPPLY MANAGEMENT. The commissioner shall adopt
20 regulations governing the

21 (1) management of supplies during their entire life cycle;

22 (2) sale, lease, or disposal of surplus supplies by public
23 auction, competitive sealed bidding, or other appropriate method;

24 (3) purchase of surplus supplies by an employee of the
25 using or disposing agency; and

26 (4) transfer of excess supplies.

27 Sec. 36.30.080. LEASES. (a) The department shall lease space
28 for the use of the state or an agency wherever it is necessary and
29 feasible, subject to compliance with the requirements of this chapter.

1 A lease may not provide for a period of occupancy greater than 40
2 years. An agency requiring office, warehouse, or other space shall
3 lease the space through the department.

4 (b) The department may enter into lease-financing agreements,
5 including lease-purchase agreements and agreements related to the
6 issuance of certificates of participation. A lease-financing agree-
7 ment must provide that lease payments are subject to annual appropria-
8 tion.

9 (c) If the department intends to enter into a lease or lease-
10 financing agreement with an annual rent to the state anticipated to
11 exceed \$1,000,000, the department shall provide notice to the legisla-
12 ture. The notice must include the anticipated annual lease obligation
13 amount and the anticipated total construction, acquisition, or other
14 costs of the projec The department may not enter into an agreement
15 under this subsection unless the project has been approved by the
16 legislature by law. An appropriation for the project does not consti-
17 tute approval of the project for purposes of this subsection.

18 ARTICLE 2. COMPETITIVE SEALED BIDDING.

19 Sec. 36.30.100. GENERAL POLICY. (a) Except as ocherwise pro-
20 vided in this chapter, or unless specifically exempted by law, an
21 agency contract shall be awarded by competitive sealed bidding.

22 (b) Competitive sealed bidding is not required

23 (1) when the commissioner determines in writing that food,
24 clothing, or medical supplies, or materials for use in laboratory or
25 medical studies may be purchased otherwise to the best advantage of
26 the state;

27 (2) when rates are fixed by law or ordinance;

28 (3) for the purchase of products or services manufactured
29 or provided by an employment program;

1 (4) for the purchase of products or services provided by
2 the correctional industries program established under AS 33.32;

3 (5) for professional services; or

4 (6) for concessions operated on state property.

5 (c) In this section "employment program" means a nonprofit
6 program to increase employment opportunities for individuals with
7 physical or mental disabilities that constitute substantial handicaps
8 to employment.

9 Sec. 36.30.110. INVITATION TO BID. (a) When competitive sealed
10 bidding is used, the procurement officer shall issue an invitation to
11 bid. It must include a time, place and date by which the bid must be
12 received, purchase description, and a description of all contractual
13 terms and conditions applicable to the procurement.

14 (b) When responding to the invitation to bid, the bidder shall
15 supply evidence of the bidder's valid Alaska business license. A
16 bidder for a construction contract shall also submit evidence of the
17 bidder's registration under AS 08.18.

18 Sec. 36.30.115. SUBCONTRACTORS. (a) Within 48 hours after the
19 opening of bids, each bidder shall submit a list of the subcontractors
20 the bidder proposes to use in the performance of the contract. The
21 list shall include the name and location of the place of business for
22 each subcontractor and evidence of the subcontractor's valid Alaska
23 business license. A bidder for a construction contract shall also
24 submit evidence of each subcontractor's registration under AS 08.18.

25 (b) A bidder may replace a listed subcontractor only if the
26 subcontractor

27 (1) fails to comply with AS 08.18;

28 (2) files for bankruptcy or becomes insolvent;

29 (3) fails to execute a contract with the bidder involving

1 performance of the work for which the subcontractor was listed;
2 (4) fails to obtain bonding;
3 (5) fails to obtain insurance acceptable to the state;
4 (6) fails to perform the contract with the bidder involving
5 work for which the subcontractor was listed; or
6 (7) is determined by the procurement officer not to be a
7 responsible bidder.

8 (c) If a bidder fails to list a subcontractor or lists more than
9 one subcontractor for the same portion of work and the value of that
10 work is in excess of half of one percent of the total bid, the bidder
11 shall be considered to have agreed to perform that portion of work
12 without the use of a subcontractor and to have represented the bidder
13 to be qualified to perform that work.

14 (d) A bidder who attempts to circumvent the requirements of this
15 section by listing as a subcontractor another contractor who, in turn,
16 sublets the majority of the work required under the contract violates
17 this section.

18 (e) If a contract is awarded to a bidder who violates this
19 section, the purchasing officer may

20 (1) cancel the contract; or
21 (2) after notice and a hearing, assess a penalty on the
22 bidder in an amount that does not exceed 10 percent of the value of
23 the subcontract at issue.

24 Sec. 36.30.120. BID SECURITY. (a) Bid security shall be re-
25 quired for all competitive sealed bidding for construction contracts
26 when the price is estimated by the procurement officer to exceed an
27 amount established by regulation of the commissioner. Bid security on
28 construction contracts under the amount set by the commissioner may be
29 required when the circumstances warrant. Bid security may be required

1 for competitive sealed bidding for contracts for supplies, services,
2 or professional services in accordance with regulations of the commis-
3 sioner when needed for the protection of the state.

4 (b) Bid security must be a bond provided by a surety company
5 authorized to do business in the state or otherwise supplied in a form
6 satisfactory to the commissioner. Bid security must be in an amount
7 equal to at least

8 (1) 10 percent of the amount of the bid if the bid does not
9 exceed \$100,000; or

10 (2) 10 percent of the first \$100,000 and five percent of
11 the amount of the bid over \$100,000 if the bid exceeds \$100,000 up to
12 a maximum of \$200,000 in security.

13 (c) When the invitation to bid requires security, the procure-
14 ment officer shall reject a bid that does not comply with the bid
15 security requirement unless, in accordance with regulations, the
16 officer determines that the bid fails to comply in a nonsubstantial
17 manner with the security requirements.

18 Sec. 36.30.130. PUBLIC NOTICE OF INVITATION TO BID. (a) The
19 procurement officer shall give adequate public notice of the invita-
20 tion to bid at least 21 days before the date for the opening of bids.
21 If a determination is made in writing that a shorter notice period is
22 necessary for a particular bid, the 21-day period may be shortened.
23 The determination shall be made by the chief procurement officer for
24 bids for supplies, services, or professional services. The determina-
25 tion shall be made by the commissioner of transportation and public
26 facilities for bids for construction or acquisition of property for
27 the state equipment fleet. Notice shall be published in the Alaska
28 Administrative Journal. The time and manner of notice must be in
29 accordance with regulations adopted by the commissioner of

1 administration. When practicable, notice may include
2 (1) publication in a newspaper calculated to reach prospec-
3 tive bidders;
4 (2) notices posted in public places within the area where
5 the work is to be performed or the material furnished; and
6 (3) notices mailed to all active prospective contractors on
7 the appropriate list maintained under AS 36.30.050.
8 (b) Failure to comply with the notice requirements of this
9 section does not invalidate a bid or the award of a contract. If the
10 state fails to substantially comply with the requirements of (a) of
11 this section, the state is liable for damages caused by that failure.
12 Sec. 36.30.140. BID OPENING. (a) The procurement officer shall
13 open bids publicly in the presence of one or more witnesses at the
14 time and place designated in the invitation to bid. The amount of
15 each bid and other relevant information that is specified by regula-
16 tion of the commissioner, together with the name of each bidder, shall
17 be recorded.
18 (b) The information recorded under (a) of this section is open
19 to public inspection as soon as practicable before the notice of
20 intent to award a contract is given under AS 36.30.365. The bids are
21 not open for public inspection until after the notice of intent to
22 award a contract is given. To the extent the bidder designates and
23 the procurement officer concurs, trade secrets and other proprietary
24 data contained in a bid document are confidential.
25 Sec. 36.30.150. BID ACCEPTANCE AND BID EVALUATION. (a) Bids
26 shall be unconditionally accepted without alteration or correction,
27 except as authorized in AS 36.30.160. The procurement officer shall
28 evaluate bids based on the requirements set out in the invitation to
29 bid, which may include criteria to determine acceptability such as

1 inspection, testing, quality, delivery, and suitability for a parti-
2 cular purpose. The criteria that will affect the bid price and be
3 considered in evaluation for award must be objectively measurable,
4 such as discounts, transportation costs, and total or life cycle
5 costs. The invitation to bid must set out the evaluation criteria to
6 be used. Criteria may not be used in bid evaluation if they are not
7 set out in the invitation to bid.

8 (b) A contract based on total or life cycle costs may be awarded
9 only when the chief procurement officer or, for construction contracts
10 or procurements for the state equipment fleet, the commissioner of
11 transportation and public facilities, determines in writing at the
12 time of contract solicitation that the contract promotes overall
13 economy for the purposes intended, encourages competition, is not
14 unduly restrictive, and is in the best interests of the state.

15 Sec. 36.30.160. LATE BIDS; CORRECTION OR WITHDRAWAL OF BIDS;
16 CANCELLATION OF AWARDS. (a) Bids received after the bid due date and
17 time indicated on the invitation to bid may not be accepted unless the
18 delay was due to an error of the contracting agency.

19 (b) Correction or withdrawal of inadvertently erroneous bids
20 before or after bid opening, or cancellation of awards or contracts
21 based on bid mistakes may be permitted in accordance with regulations
22 adopted by the commissioner. After bid opening, changes in bid prices
23 or other provisions of bids prejudicial to the interest of the state
24 or fair competition may not be permitted. Except as otherwise provid-
25 ed by regulation, a decision to permit the correction or withdrawal of
26 a bid, or to cancel an award or contract based on a bid mistake, shall
27 be supported by a written determination made by the procurement offi-
28 cer. If a bidder is permitted to withdraw a bid before award, an
29 action may not be maintained against the bidder or the bid security.

1 Sec. 36.30.170. CONTRACT AWARD AFTER BIDS. (a) Except as
2 provided in (b) of this section, the procurement officer shall award a
3 contract based on the solicited bids with reasonable promptness by
4 written notice to the lowest responsible and responsive bidder whose
5 bid conforms in all material respects to the requirements and criteria
6 set out in the invitation to bid.

7 (b) The procurement officer shall award a contract based on
8 solicited bids to the lowest responsible and responsive Alaska bidder
9 if the bid is not more than five percent higher than the lowest non-
10 resident bidder's. In this subsection, "Alaska bidder" means a person
11 who

12 (1) holds a current Alaska business license;

13 (2) submits a bid for goods, services, or construction
14 under the name as appearing on the person's current Alaska business
15 license;

16 (3) has maintained a place of business within the state
17 staffed by the bidder or an employee of the bidder for a period of six
18 months immediately preceding the date of the bid;

19 (4) is incorporated under the laws of the state, is a sole
20 proprietorship, and the proprietor is a resident of the state or is a
21 partnership, and all partners are residents of the state; and

22 (5) if a joint venture, is composed entirely of ventures
23 that qualify under (1) - (4) of this subsection.

24 (c) If a bidder qualifies under (b) of this section as an Alaska
25 bidder, is offering services through an employment program as defined
26 under AS 36.30.100(c), and is the lowest responsible and responsive
27 bidder with a bid that is not more than 10 percent higher than the
28 lowest bid of a nonresident, the procurement officer shall award the
29 contract to that bidder.

1 Sec. 36.30.190. MULTI-STEP SEALED BIDDING. When it is con-
2 sidered impractical to initially prepare a definitive purchase de-
3 scription to support an award based on price, the procurement officer
4 may issue an invitation to bid requesting the submission of unpriced
5 technical offers to be followed by an invitation to bid limited to the
6 bidders whose offers are determined to be technically qualified under
7 the criteria set out in the first solicitation.

8 ARTICLE 3. COMPETITIVE SEALED PROPOSALS.

9 Sec. 36.30.200. CONDITIONS FOR USE. (a) Except as otherwise
10 provided in this chapter, or unless specifically exempted by law, an
11 agency contract shall be awarded by competitive sealed proposals if it
12 is not awarded by competitive sealed bidding. Construction may only
13 be procured by competitive sealed proposals if the conditions under
14 (c) of this section are met.

15 (b) The commissioner may provide by regulation that it is either
16 not practicable or not advantageous to the state to procure specified
17 types of supplies, services, or construction by competitive sealed
18 bidding that would otherwise be procured by that method. When the
19 chief procurement officer, or for construction contracts or procure-
20 ments for the state equipment fleet, the commissioner of transporta-
21 tion and public facilities, determines in writing that the use of
22 competitive sealed bidding is either not practicable or not advanta-
23 geous to the state, a contract may be entered into by competitive
24 sealed proposals in accordance with the regulations. When it is
25 determined that it is practicable but not advantageous to use competi-
26 tive sealed bidding, the chief procurement officer or commissioner of
27 transportation and public facilities shall specify with particularity
28 the basis for the determination.

29 (c) When the chief procurement officer determines that it is

1 advantageous to the state, a procurement officer may issue a request
2 for proposals requesting the submission of offers to provide
3 construction in accordance with a design provided by the offeror. The
4 request for proposals shall require that each proposal submitted
5 contain a single price that includes the design and construction.

6 Sec. 36.30.210. REQUEST FOR PROPOSALS. (a) A request for
7 competitive sealed proposals must contain the date, time and place for
8 delivering proposals, a specific description of the supplies,
9 construction, services, or professional services to be provided under
10 the contract, and the terms under which the supplies, construction,
11 services, or professional services are to be provided. The request
12 shall require the offeror to submit evidence of the offeror's valid
13 Alaska business license and, within 48 hours after the date by which
14 proposals must be received, to list subcontractors the offeror pro-
15 poses to use in the performance of the contract. The list shall
16 include the name and location of the place of business for each sub-
17 contractor and evidence of the subcontractor's valid Alaska business
18 license. An offeror for a construction contract shall also submit
19 evidence of the offeror's registration under AS 08.18 and evidence of
20 registration for each listed subcontractor.

21 (b) A request for proposals must contain that information neces-
22 sary for an offeror to submit a proposal or contain references to any
23 information that cannot reasonably be included with the request. The
24 request must provide a description of the factors that will be con-
25 sidered by the procurement officer when evaluating the proposals
26 received, including the relative importance of price and other evalu-
27 ation factors.

28 (c) Notice of a request for proposals shall be given in accor-
29 dance with procedures under AS 36.30.130. The procurement officer may