

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 1985 8672
1451 SCOMM 54: SEN. SELECT INTERIM COMM. ON PROCUREMENT PRACTICES

1 procurement authority under AS 36.30.015 shall, by October 1 of each
2 year, submit to the commissioner of administration records of the type
3 specified in (a) of this section. The commissioner of administration
4 shall maintain these records as required by (a) of this section.

5 Sec. 36.30.530. PUBLIC ACCESS TO PROCUREMENT INFORMATION.
6 Procurement information is public except as otherwise provided by law.

7 Sec. 36.30.540. REPORT TO LEGISLATURE. Beginning with Decem-
8 ber 1, 1989, the commissioner shall biennially report to the legisla-
9 ture concerning procurements by agencies. The report must include

10 (1) the records prepared under AS 36.30.510(4) and 36.30.-
11 520(a) for the previous two fiscal years;

12 (2) recommendations for changes in this chapter or other
13 laws based on implementation of this chapter in the previous two
14 fiscal years; and

15 (3) a description of any matters that involved litigation
16 concerning this chapter in the previous two fiscal years.

17 ARTICLE 7. LEGAL AND CONTRACTUAL REMEDIES.

18 Sec. 36.30.560. FILING OF A PROTEST. An interested party may
19 protest the award of a contract, the proposed award of a contract, or
20 a solicitation for supplies, services, professional services, or
21 construction by an agency. The protest shall be filed with the
22 procurement officer of the contracting agency in writing and include
23 the following information:

24 (1) the name, address, and telephone number of the pro-
25 tester;

26 (2) the signature of the protester or the protester's
27 representative;

28 (3) identification of the contracting agency and the solici-
29 tation or contract at issue;

1 (4) a detailed statement of the legal and factual grounds
2 of the protest, including copies of relevant documents; and

3 (5) the form of relief requested.

4 Sec. 36.30.565. TIME FOR FILING A PROTEST. (a) A protest based
5 upon alleged improprieties in a solicitation involving competitive
6 sealed bidding that are apparent before the bid opening shall be filed
7 before the bid opening. A protest based on alleged improprieties in a
8 solicitation involving competitive sealed proposals that are apparent

9 (1) before the due date for receipt of initial proposals
10 shall be filed before that due date;

11 (2) after the due date for receipt of initial proposals
12 shall be filed before the next due date for receipt of adjusted pro-
13 posals that occurs after the improprieties are apparent.

14 (b) In situations not covered under (a) of this section, pro-
15 tests shall be filed within 10 days after a notice of intent to award
16 the contract is issued by the procurement officer.

17 (c) If the protester shows good cause, the procurement officer
18 of the contracting agency may consider a filed protest that is not
19 timely.

20 Sec. 36.30.570. NOTICE OF A PROTEST. The procurement officer
21 shall immediately give notice of a protest filed under AS 36.30.565 to
22 the contractor if a contract has been awarded or, if no award has been
23 made, to all interested parties.

24 Sec. 36.30.575. STAY OF AWARD. If a protest is filed the award
25 may be made unless the procurement officer of the contracting agency
26 determines in writing that a

27 (1) reasonable probability exists that the protest will be
28 sustained; or

29 (2) stay of the award is not contrary to the best interests

1 of the state.

2 Sec. 36.30.580. DECISION BY THE PROCUREMENT OFFICER. (a) The
3 procurement officer of the contracting agency shall issue a written
4 decision containing the basis of the decision within 14 days after a
5 protest has been filed. A copy of the decision shall be furnished to
6 the protester by certified mail or other method that provides evidence
7 of receipt.

8 (b) The time for a decision may be extended up to 26 days for
9 good cause by the commissioner of administration, or for protests
10 involving construction or procurements for the state equipment fleet,
11 the commissioner of transportation and public facilities. If an
12 extension is granted, the procurement officer shall notify the
13 protester in writing of the date the decision is due.

14 (c) If a decision is not made by the date it is due, the pro-
15 tester may proceed as if the procurement officer had issued a decision
16 adverse to the protester.

17 Sec. 36.30.585. PROTEST REMEDIES. (a) If the procurement
18 officer sustains a protest in whole or in part, the procurement offi-
19 cer shall implement an appropriate remedy.

20 (b) In determining an appropriate remedy, the procurement offi-
21 cer shall consider the circumstances surrounding the solicitation or
22 procurement including the seriousness of the procurement deficiencies,
23 the degree of prejudice to other interested parties or to the
24 integrity of the procurement system, the good faith of the parties,
25 the extent the procurement has been accomplished, costs to the agency
26 and other impacts on the agency of a proposed remedy, and the urgency
27 of the procurement to the welfare of the state.

28 Sec. 36.30.590. APPEAL ON A PROTEST. (a) An appeal from a
29 decision of a procurement officer on a protest may be filed by the

1 protester with the commissioner of administration, or for protests
2 involving construction or procurements for the state equipment fleet,
3 the commissioner of transportation and public facilities. An appeal
4 shall be filed within five days after the decision is received by the
5 protester. The protester shall file a copy of the appeal with the
6 procurement officer.

7 (b) An appeal must contain the information required under
8 AS 36.30.560. In addition, the appeal must include

9 (1) a copy of the decision being appealed; and

10 (2) identification of the factual or legal errors in the
11 decision that form the basis for the appeal.

12 Sec. 36.30.595. NOTICE OF A PROTEST APPEAL. (a) The procure-
13 ment officer shall immediately give notice of an appeal filed under
14 AS 36.30.590 to the contractor if a contract has been awarded or, if
15 no award has been made, to all interested parties.

16 (b) The commissioner of administration or the commissioner of
17 transportation and public facilities, as appropriate, shall, on
18 request, furnish a copy of the appeal to a person notified under (a)
19 of this section, except that confidential material shall be deleted
20 from the copy.

21 Sec. 36.30.600. STAY OF AWARD DURING PROTEST APPEAL. If a
22 protest appeal is filed before a contract is awarded and the award was
23 stayed under AS 36.30.575, the filing of the appeal automatically
24 continues the stay until the commissioner of administration or the
25 commissioner of transportation and public facilities, as appropriate,
26 makes a written determination that the award of the contract without
27 further delay is necessary to protect substantial interests of the
28 state.

29 Sec. 36.30.605. PROTEST REPORT. (a) The procurement officer of

1 the contracting agency shall file a complete report on the protest and
2 decision with the commissioner of administration or the commissioner
3 of transportation and public facilities, as appropriate, within seven
4 days after a protest appeal is filed. The procurement officer shall
5 furnish a copy of the report to the protester and to interested parties
6 that have requested a copy of the appeal under AS 36.30.595(b).

7 (b) The procurement officer may request an extension of time to
8 prepare the protest report. The request must be in writing listing
9 the reasons for the request. The commissioner of administration or
10 the commissioner of transportation and public facilities, as
11 appropriate, shall respond to the request in writing. If an extension
12 is granted, the commissioner shall list the reasons for granting the
13 extension and indicate the date the protest report is due. The commissioner
14 shall notify the protester in writing that the time for
15 submission of the report has been extended and the date the report is
16 due.

17 (c) The protester may file comments on the protest report with
18 the commissioner of administration or the commissioner of
19 transportation and public facilities, as appropriate, within seven
20 days after the report is received. The protester shall provide copies
21 of the comments to the procurement officer and to interested parties
22 that have requested a copy of the appeal under AS 36.30.595(b).

23 (d) The protester may request an extension of time to prepare
24 the comments on the protest report. The request must be in writing
25 listing the reasons for the request. The commissioner of
26 administration or the commissioner of transportation and public
27 facilities, as appropriate, shall respond to the request in writing.
28 If an extension is granted, the commissioner shall list the reasons
29 for granting the extension and indicate the date the comments are due.

1 The commissioner shall notify the procurement officer in writing that
2 the time for submission of the comments has been extended and the date
3 the comments are due.

4 Sec. 36.30.610. DECISION WITHOUT HEARING. (a) The commissioner
5 of administration or the commissioner of transportation and public
6 facilities, as appropriate, shall dismiss a protest appeal before a
7 hearing is held if it is determined in writing that the appeal is
8 untimely under AS 36.30.590(a).

9 (b) The commissioner of administration or the commissioner of
10 transportation and public facilities, as appropriate, may issue a
11 decision on an appeal without a hearing if the appeal involves ques-
12 tions of law without genuine issues of fact.

13 Sec. 36.30.615. HEARING ON PROTEST APPEAL. A hearing on a
14 protest appeal shall be conducted in accordance with AS 36.30.670 and
15 regulations adopted by the commissioner.

16 Sec. 36.30.620. CONTRACT CONTROVERSIES. (a) A contractor shall
17 file a claim concerning a contract awarded under this chapter with the
18 procurement officer. The contractor shall certify that the claim is
19 made in good faith, that the supporting data are accurate and complete
20 to the best of the contractor's knowledge and belief, and that the
21 amount requested accurately reflects the contract adjustment for which
22 the contractor believes the state is liable.

23 (b) If a controversy asserted by a contractor concerning a
24 contract awarded under this chapter cannot be resolved by agreement,
25 the procurement officer shall, after receiving a written request by
26 the contractor for a decision, issue a written decision. The decision
27 shall be made no more than 90 days after receipt by the procurement
28 officer of all necessary information from the contractor. Failure of
29 the contractor to furnish necessary information to the procurement

1 officer constitutes a waiver of the claim. Before issuing the
2 decision the procurement officer shall review the facts relating to
3 the controversy and obtain necessary assistance from legal, fiscal,
4 and other advisors.

5 (c) The time for issuing a decision under (b) of this section
6 may be extended for good cause by the commissioner of administration,
7 or for a controversy involving a construction contract or procurement
8 for the state equipment fleet, the commissioner of transportation and
9 public facilities, if the controversy concerns an amount in excess of
10 \$50,000. The procurement officer shall notify the contractor in
11 writing that the time for the issuance of a decision has been extended
12 and of the date by which a decision shall be issued.

13 (d) The procurement officer shall furnish a copy of the decision
14 to the contractor by certified mail or other method that provides
15 evidence of receipt. The decision shall include a

- 16 (1) description of the controversy;
17 (2) reference to the pertinent contract provisions;
18 (3) statement of the agreed upon and disputed facts;
19 (4) statement of reasons supporting the decision; and
20 (5) statement substantially as follows:

21 "This is the final decision of the procurement officer.

22 This decision may be appealed to the commissioner of

23 _____ (administration/transportation

24 and public facilities). If you appeal, you must file

25 a written notice of appeal with the commissioner within

26 five days after you receive this decision."

27 (e) If a decision is not made by the date it is due, the con-
28 tractor may proceed as if the procurement officer had issued a deci-
29 sion adverse to the contractor.

1 (f) If a controversy asserted by the state concerning a contract
2 awarded under this chapter cannot be resolved by agreement the matter
3 shall be immediately referred to the commissioner of administration or
4 the commissioner of transportation and public facilities, as
5 appropriate.

6 Sec. 36.30.625. APPEAL ON A CONTRACT CONTROVERSY. (a) An
7 appeal from a decision of the procurement officer on a contract con-
8 troversy may be filed by the contractor with the commissioner of
9 administration, or for a controversy involving a construction contract
10 or procurement for the state equipment fleet, the commissioner of
11 transportation and public facilities. The appeal shall be filed
12 within five days after the decision is received by the contractor.
13 The contractor shall file a copy of the appeal with the procurement
14 officer.

15 (b) An appeal shall contain a copy of the decision being ap-
16 pealed and identification of the factual or legal errors in the deci-
17 sion that form the basis for the appeal.

18 Sec. 36.30.630. HEARING ON A CONTRACT CONTROVERSY. (a) Except
19 as provided in (b) of this section, a hearing shall be conducted
20 according to AS 36.30.670 and regulations adopted by the commissioner
21 of administration on a contract controversy appealed to the commis-
22 sioner of administration or the commissioner of transportation and
23 public facilities or referred to either commissioner under
24 AS 36.30.620(f).

25 (b) Within 15 days after receipt of an appeal on a contract
26 controversy the commissioner of administration or the commissioner of
27 transportation and public facilities, as appropriate, may adopt the
28 decision of the procurement officer as the final decision without a
29 hearing.

1 Sec. 36.30.632. DELEGATION. The commissioner of administration
2 and the commissioner of transportation and public facilities may
3 delegate responsibilities under AS 36.30.590 and 36.30.630 to the head
4 of the contracting agency.

5 Sec. 36.30.635. AUTHORITY TO DEBAR OR SUSPEND. (a) After
6 consultation with the using agency and the attorney general and after
7 a hearing conducted according to AS 36.30.670 and regulations adopted
8 by the commissioner of administration, the commissioner of administration
9 or the commissioner of transportation and public facilities may
10 debar a person for cause from consideration for award of contracts.
11 Notice of a debarment hearing shall be provided in writing at least
12 seven days before the hearing. The debarment may not be for a period
13 of more than three years.

14 (b) The commissioner of administration or the commissioner of
15 transportation and public facilities, after consultation with the
16 using agency and the attorney general, may suspend a person from
17 consideration for award of contracts if there is probable cause for
18 debarment and compelling reasons require suspension to protect state
19 interests. The suspension may not be for a period exceeding three
20 months.

21 (c) The authority to debar or suspend shall be exercised in
22 accordance with regulations adopted by the commissioner of administration.
23

24 Sec. 36.30.640. CAUSES FOR DEBARMENT OR SUSPENSION. The causes
25 for debarment or suspension include the following:

26 (1) conviction for commission of a criminal offense as an
27 incident to obtaining or attempting to obtain a public or private
28 contract or subcontract, or in the performance of the contract or
29 subcontract;

1 (2) conviction under state or federal statutes of embezzle-
2 ment, theft, forgery, bribery, falsification or destruction of re-
3 cords, receiving stolen property, or other offense indicating a lack
4 of business integrity or business honesty that currently and seriously
5 affects responsibility as a state contractor;

6 (3) conviction or civil judgment finding a violation under
7 state or federal antitrust statutes;

8 (4) violation of contract provisions of a character that is
9 regarded by the commissioner to be so serious as to justify debarment
10 action, such as

11 (A) knowing failure without good cause to perform in
12 accordance with the specifications or within the time limit
13 provided in the contract; or

14 (B) failure to perform or unsatisfactory performance
15 in accordance with the terms of one or more contracts, except
16 that failure to perform or unsatisfactory performance caused by
17 acts beyond the control of the contractor is not be considered
18 to be a basis for debarment;

19 (5) for violation of the ethical standards set out in law
20 or regulation;

21 (6) for a violation of this chapter punishable under
22 AS 36.30.930(2); and

23 (7) any other cause listed in regulations of the
24 commissioner determined to be so serious and compelling as to affect
25 responsibility as a state contractor, including debarment by another
26 governmental entity for a cause listed in the regulations.

27 Sec. 36.30.645. WRITTEN DETERMINATIONS. (a) The commissioner
28 of administration or the commissioner of transportation and public
29 facilities shall issue a written decision to debar or suspend. The

1 decision must

2 (1) state the reasons for the action taken; and

3 (2) inform the debarred person of rights to judicial appeal
4 or inform the suspended person of rights to administrative and judi-
5 cial appeal.

6 (b) A copy of the decision under (a) of this section shall be
7 mailed or otherwise furnished immediately to the debarred or suspended
8 person and any other intervening party.

9 Sec. 36.30.650. HEARING ON A SUSPENSION. (a) A person suspend-
10 ed under AS 36.30.635 is entitled to a hearing conducted according to
11 AS 36.30.670 and regulations adopted by the commissioner of adminis-
12 tration if the person files a written request for a hearing with the
13 commissioner of administration or the commissioner of transportation
14 and public facilities, as appropriate, within seven days after receipt
15 of the notice of suspension under AS 36.30.645.

16 (b) If a suspended person requests a hearing the commissioner of
17 administration or the commissioner of transportation and public
18 facilities, as appropriate, shall schedule a prompt hearing unless the
19 attorney general determines that a hearing at the proposed time is
20 likely to jeopardize an investigation. A hearing may not be delayed
21 longer than six months after notice of the suspension is provided
22 under AS 36.30.645.

23 Sec. 36.30.655. LIST OF PERSONS DEBARRED OR SUSPENDED. The
24 commissioner shall maintain a list of all persons debarred or suspend-
25 ed from consideration for award of contracts.

26 Sec. 36.30.660. REINSTATEMENT. (a) The commissioner of
27 administration or the commissioner of transportation and public
28 facilities may at any time after a final decision to debar a person
29 from consideration for award of contracts reinstate the person after

1 determining that the cause for which the person was debarred no longer
2 exists or has been substantially mitigated.

3 (b) A debarred person may request reinstatement by submitting a
4 petition to the commissioner of administration or the commissioner of
5 transportation and public facilities supported by evidence showing
6 that the cause for debarment no longer exists or has been substantial-
7 ly mitigated.

8 (c) The commissioner of administration or the commissioner of
9 transportation and public facilities may require a hearing on a
10 reinstatement petition. A decision on reinstatement shall be made in
11 writing within seven days after a reinstatement petition is submitted.
12 The decision shall specify the factors on which it is based. A
13 decision under this section is not subject to judicial appeal.

14 Sec. 36.30.665. LIMITED PARTICIPATION. The commissioner of
15 administration or the commissioner of transportation and public
16 facilities may permit a debarred person to participate in a contract
17 on a limited basis during the debarment period if the commissioner
18 determines in writing that the participation is advantageous to the
19 state. The determination shall specify the factors on which it is
20 based and the limits imposed on the debarred person.

21 Sec. 36.30.670. HEARING PROCEDURES. (a) The commissioner of
22 administration or the commissioner of transportation and public
23 facilities shall act as a hearing officer or appoint a hearing officer
24 for a hearing conducted under this chapter. The hearing officer shall
25 arrange for a prompt hearing and notify the parties in writing of the
26 time and place of the hearing. The hearing shall be conducted in an
27 informal manner. The provisions of AS 44.62 (Administrative Procedure
28 Act) do not apply to a hearing conducted under this chapter.

29 (b) The hearing officer may

1 (1) hold prehearing conferences to settle, simplify, or
2 identify the issues in a proceeding, or to consider other matters that
3 may aid in the expeditious disposition of the proceeding;

4 (2) require parties to state their positions concerning the
5 various issues in the proceeding;

6 (3) require parties to produce for examination those rele-
7 vant witnesses and documents under their control;

8 (4) rule on motions and other procedural matters;

9 (5) regulate the course of the hearing and conduct of the
10 participants;

11 (6) establish time limits for submission of motions or
12 memoranda;

13 (7) impose appropriate sanctions against a person who fails
14 to obey an order of the hearing officer, including

15 (A) prohibiting the person from asserting or opposing
16 designated claims or defenses or introducing designated matters
17 into evidence;

18 (B) excluding all testimony of an unresponsive or
19 evasive witness; and

20 (C) excluding a person from further participation in
21 the hearing;

22 (8) take official notice of a material fact not appearing
23 in evidence, if the fact is among the traditional matters subject to
24 judicial notice;

25 (9) administer oaths or affirmations.

26 (c) A transcribed record of the hearing shall be made available
27 at cost to a party that requests it.

28 Sec. 36.30.675. RECOMMENDATION BY THE HEARING OFFICER. (a) If
29 the commissioner of administration or the commissioner of

1 transportation and public facilities is not acting as hearing officer,
2 the hearing officer shall recommend a decision to the commissioner
3 based on the evidence presented. The recommendation shall include
4 findings of fact and conclusions of law.

5 (b) The commissioner of administration or the commissioner of
6 transportation and public facilities may affirm, modify, or reject the
7 hearing officer's recommendation in whole or in part, may remand the
8 matter to the hearing officer with instructions, or take other
9 appropriate action.

10 Sec. 36.30.680. FINAL DECISION BY THE COMMISSIONER. A decision
11 by the commissioner of administration or the commissioner of
12 transportation and public facilities after a hearing under this
13 chapter is final. A decision shall be sent within 20 days after the
14 hearing to all parties by personal service or certified mail, except
15 that a decision by the commissioner of transportation and public
16 facilities involving procurement of construction shall be sent within
17 90 days after the hearing to all parties by personal service or
18 certified mail.

19 Sec. 36.30.685. JUDICIAL APPEAL. (a) A final decision of the
20 commissioner of administration or the commissioner of transportation
21 and public facilities under AS 36.30.610, 36.30.635(a), 36.30.650, or
22 36.30.680 may be appealed to the superior court in accordance with the
23 Alaska Rules of Appellate Procedure.

24 (b) A final decision of the commissioner of administration or
25 the commissioner of transportation and public facilities under
26 AS 36.30.630(b) may be appealed to the superior court for a trial de
27 novo.

28 Sec. 36.30.690. EXCLUSIVE REMEDY. Notwithstanding AS 44.77 or
29 other law to the contrary, AS 36.30.560 - 36.30.699 and regulations

1 adopted under those sections provide the exclusive procedure for
2 asserting a claim against an agency arising in relation to a
3 procurement under this chapter.

4 Sec. 36.30.695. OTHER RULES OF PROCEDURE. The commissioner may
5 adopt by regulation additional rules of procedure providing for the
6 expeditious administrative review of all contract claims or contro-
7 versies, both before the contracting agency and through an appeal
8 heard de novo.

9 Sec. 36.30.699. DEFINITION. In AS 36.30.560 - 36.30.695,
10 "interested party" means an actual or prospective bidder or offeror
11 whose economic interest may be affected substantially and directly by
12 the issuance of a contract solicitation, the award of a contract, or
13 the failure to award a contract; whether an actual or prospective
14 bidder or offeror has an economic interest depends on the
15 circumstances.

16 ARTICLE 8. INTERGOVERNMENTAL RELATIONS.

17 Sec. 36.30.700. COOPERATIVE PURCHASING AUTHORIZED. A public
18 procurement unit may either participate in, sponsor, conduct, or
19 administer a cooperative purchasing agreement for the procurement of
20 supplies, services, professional services, or construction with one or
21 more public procurement units or external procurement activities in
22 accordance with an agreement entered into between the participants.
23 Cooperative purchasing may include joint or multi-party contracts
24 between public procurement units and open-ended state public procure-
25 ment unit contracts that are made available to local public procure-
26 ment units.

27 Sec. 36.30.710. SALE, ACQUISITION, OR USE OF SUPPLIES BY A
28 PUBLIC PROCUREMENT UNIT. (a) A public procurement unit may sell to,
29 acquire from, or use any supplies belonging to another public

1 procurement unit or external procurement activity independent of the
2 requirements of AS 36.30.070 and 36.30.100 - 36.30.280.

3 (b) A public procurement unit may enter into an agreement,
4 independent of the requirements of AS 36.30.060 and 36.30.100 - 36.-
5 30.280, with another public procurement unit or external procurement
6 activity for the cooperative use of supplies or services under the
7 terms agreed upon between the parties.

8 Sec. 36.30.720. JOINT USE OF FACILITIES. A public procurement
9 unit may enter into agreements for the common use or lease of ware-
10 housing facilities, capital equipment, and other facilities with
11 another public procurement unit or an external procurement activity
12 under the terms agreed upon between the parties.

13 Sec. 36.30.730. SUPPLY OF PERSONNEL, INFORMATION, AND TECHNICAL
14 SERVICES. (a) A public procurement unit may, upon written request
15 from another public procurement unit or external procurement activity,
16 provide personnel to the requesting public procurement unit or exter-
17 nal procurement activity. The public procurement unit or external
18 procurement activity making the request shall pay the public procure-
19 ment unit providing the personnel the direct and indirect cost of
20 furnishing the personnel, in accordance with an agreement between the
21 parties.

22 (b) The informational, technical, and other services of a public
23 procurement unit may be made available to another public procurement
24 unit or external procurement activity except that the requirements of
25 the public procurement unit tendering the services has precedence over
26 the requesting public procurement unit or external procurement activi-
27 ty. The requesting public procurement unit or external procurement
28 activity shall pay for the expenses of the services so provided, in
29 accordance with an agreement between the parties.

1 (c) Upon request, the commissioner may make available to public
2 procurement units or external procurement activities the following
3 services, among others:

- 4 (1) standard forms;
- 5 (2) printed manuals;
- 6 (3) product specifications and standards;
- 7 (4) quality assurance testing services and methods;
- 8 (5) qualified products lists;
- 9 (6) source information;
- 10 (7) common use commodities listings;
- 11 (8) supplier performance ratings;
- 12 (9) lists of persons debarred or suspended from considera-
13 tion for award of state contracts;
- 14 (10) forms for invitations for bids, requests for proposals,
15 instructions to bidders, general contract provisions, and other con-
16 tract forms; and
- 17 (11) contracts or published summaries of them, including
18 price and time of delivery information.

19 (d) The commissioner may provide the following technical ser-
20 vices, among others:

- 21 (1) development of product specifications;
- 22 (2) development of quality assurance test methods, includ-
23 ing receiving, inspection, and acceptance procedures;
- 24 (3) use of product testing and inspection facilities; and
- 25 (4) use of personnel training programs.

26 (e) The commissioner may enter into contractual arrangements and
27 publish a schedule of fees for the services provided under (c) and (d)
28 of this section.

29 Sec. 36.30.735. RESTRICTION ON CONTRACTING WITH OR EMPLOYING

1 EXPERTS ON RADIATION HAZARDS. (a) Except for the Department of
2 Health and Social Services, the Department of Labor, the Department of
3 Environmental Conservation, and the Department of Military and Veter-
4 ans' Affairs, a state agency may not

5 (1) contract, other than with the Department of Health and
6 Social Services, to have services performed that require expertise in
7 determining or reducing the hazards of radiation; or

8 (2) employ a person whose duties require expertise in
9 determining or reducing the hazards of radiation.

10 (b) In this section, "state agency" means a state department or
11 agency, whether in the legislative, judicial, or executive branch,
12 including such entities as the Alaska State Housing Authority, but not
13 including the University of Alaska, a municipality, or an agency of a
14 municipality.

15 (c) In this section, "radiation" does not include radiation
16 emitted from a Federal Communications Commission licensed facility
17 emitting radiation of a wave length longer than one centimeter and an
18 average power output not exceeding two kilowatts.

19 Sec. 36.30.740. REVIEW OF PROCUREMENT REQUIREMENTS. To the
20 extent possible, the commissioner may collect information concerning
21 the type, cost, quality, and quantity of commonly used supplies,
22 equipment for the state fleet, services, or construction being
23 procured or used by state public procurement units. The commissioner
24 may also collect this information from local public procurement units.
25 The commissioner may make this information available to a public
26 procurement unit upon request.

27 Sec. 36.30.750. CONTRACT CONTROVERSIES. (a) Under a coopera-
28 tive purchasing agreement, controversies arising between an adminis-
29 tering public procurement unit and its bidders, offerors, or

1 contractors shall be resolved in accordance with AS 36.30.560 -
2 36.30.699.

3 (b) A local public procurement unit that is not subject to
4 AS 36.30.560 - 36.30.699 may enter into an agreement with another
5 local public procurement unit or external procurement activity to
6 establish procedures or use that unit's or activity's existing proce-
7 dures to resolve controversies with contractors, whether or not the
8 controversy arose under a cooperative purchasing agreement.

9 Sec. 36.30.790. DEFINITIONS. In AS 36.30.700 - 36.30.790

10 (1) "cooperative purchasing" means procurement conducted
11 by, or on behalf of, more than one public procurement unit, or by a
12 public procurement unit with an external procurement activity;

13 (2) "external procurement activity" means a buying orga-
14 nization not located in this state that, if located in this state,
15 would qualify as a public procurement unit; an agency of the United
16 States is an external procurement activity;

17 (3) "local public procurement unit" means a municipality or
18 other subdivision of the state or other entity that expends public
19 funds for the procurement of supplies, services, professional ser-
20 vices, and construction, and any nonprofit corporation operating a
21 charitable hospital;

22 (4) "public procurement unit" means either a local public
23 procurement unit or a state public procurement unit;

24 (5) "state public procurement unit" means the Department of
25 Administration and any other contracting agency of the state.

26 ARTICLE 9. GENERAL PROVISIONS.

27 Sec. 36.30.850. APPLICATION OF THIS CHAPTER. (a) This chapter
28 applies only to contracts solicited or entered into after January 1,
29 1987, unless the parties agree to its application to a contract

1 solicited or entered into before that date.

2 (b) This chapter applies to the disposal of state supplies and
3 every expenditure of state funds irrespective of their sources, in-
4 cluding federal assistance except as otherwise specified in AS 36.-
5 30.890, by the state, acting through an agency, under a contract,
6 except that this chapter does not apply to

7 (1) grants;

8 (2) contracts for professional witnesses to provide for
9 professional services or testimony relating to existing or probable
10 lawsuits in which the state is or may become a party;

11 (3) contracts of the University of Alaska where the work is
12 to be performed substantially by students enrolled in the university;

13 (4) contracts for medical doctors and dentists;

14 (5) contracts for the purchase of residential child care
15 services under AS 47.40;

16 (6) disposals of land or interests in land;

17 (7) disposals under AS 38.05;

18 (8) contracts for the preparation of ballots under AS 15.-
19 15.030;

20 (9) acquisitions or disposals of property and other con-
21 tracts relating to airports under AS 02.15.070, 02.15.090, and 02.15.-
22 091;

23 (10) acquisitions of real property or disposals of obsolete
24 property under AS 19.05.060, 19.05.100, 19.05.110, or 19.05.120;

25 (11) disposals of obsolete material or equipment under
26 AS 35.20.060; or

27 (12) leases of ferry terminal facilities under AS 19.60.010.

28 (c) Except for AS 36.30.700 - 36.30.790, this chapter does not
29 apply to contracts between two or more agencies, the state and its

1 political subdivisions, or the state and other governments.

2 (d) Nothing in this chapter or in regulations adopted under this
3 chapter prevents an agency or political subdivision from complying
4 with the terms and conditions of a grant, gift, bequest, or coopera-
5 tive agreement.

6 Sec. 36.30.860. SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLIC-
7 ABLE. Unless displaced by the particular provisions of this chapter,
8 the principles of law and equity, including the Uniform Commercial
9 Code (AS 45.01 - AS 45.09), the law merchant, and law relative to
10 capacity to contract, agency, fraud, misrepresentation, duress, coer-
11 cion, mistake, or bankruptcy shall supplement the provisions of this
12 chapter.

13 Sec. 36.30.870. ADOPTION OF REGULATIONS. (a) Regulations under
14 this chapter shall be adopted in accordance the Administrative
15 Procedure Act (AS 44.62).

16 (b) Regulations under this chapter applicable to procurements of
17 construction or procurements for or disposal of property of the state
18 equipment fleet shall be adopted by the commissioner of administration
19 only after consultation with the commissioner of transportation and
20 public facilities.

21 Sec. 36.30.880. REQUIREMENT OF GOOD FAITH. All parties involved
22 in the negotiation, performance, or administration or state contracts
23 shall act in good faith.

24 Sec. 36.30.890. FEDERAL ASSISTANCE. If a procurement involves
25 the expenditure of federal funds or federal assistance and there is a
26 conflict between a provision of this chapter or a regulation adopted
27 under a provision of this chapter and a federal statute or regulation
28 the federal statute or regulation shall prevail.

29 Sec. 36.30.900. PREFERENCE FOR ALASKA PRODUCTS. This chapter

1 does not modify, amend, or alter AS 36.15.010 and 36.15.020 regarding
2 preference for Alaska forest products, or AS 36.20.010 regarding
3 preference to producers or dealers in Alaska except as provided in
4 AS 36.30.170(b).

5 Sec. 36.30.910. PURCHASES THROUGH GENERAL SERVICES ADMINISTRA-
6 TION. This chapter does not prevent purchasing through the general
7 services administration as provided by law.

8 Sec. 36.30.920. REPORTING OF ANTICOMPETITIVE PRACTICES. When
9 for any reason collusion or other anticompetitive practices are sus-
10 pected among bidders or offerors, a notice of the relevant facts shall
11 be transmitted to the attorney general by the person who suspects the
12 collusion or other anticompetitive practices.

13 Sec. 36.30.930. CIVIL AND CRIMINAL PENALTIES. The following
14 penalties apply to violations of this chapter:

15 (1) a person who contracts for or purchases supplies,
16 equipment for the state fleet, services, professional services, or
17 construction in a manner contrary to the requirements of this chapter
18 or the regulations adopted under this chapter is personally liable for
19 the recovery of all state money paid plus 20 percent of that amount,
20 legal interest from the date of payment, and all costs and damages
21 arising out of the violation;

22 (2) a person who intentionally or knowingly contracts for
23 or purchases supplies, equipment for the state fleet, services,
24 professional services, or construction under a scheme or artifice to
25 avoid the requirements of this chapter is guilty of a class C felony.

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

28 Sec. 36.30.990. DEFINITIONS. In this chapter, unless the con-
29 text in which a term is used clearly requires a different meaning or a

1 different definition is prescribed for a particular provision,

2 (1) "agency" means a department, institution, board, com-
3 mission, division, authority, public corporation, the Alaska Pioneers'
4 Home, or other administrative unit of the executive branch of state
5 government, including the University of Alaska; it does not include
6 the Alaska Railroad Corporation;

7 (2) "change order" means a written order signed by the
8 procurement officer, directing the contractor to make changes that the
9 changes clause of the contract authorizes the procurement officer to
10 order without the consent of the contractor;

11 (3) "commissioner" means the commissioner of the Department
12 of Administration;

13 (4) "competitive sealed bidding" means the procedure under
14 AS 36.30.100 - 36.30.190;

15 (5) "competitive sealed proposals" means the procedure
16 under AS 36.30.200 - 36.30.270;

17 (6) "construction" means the process of building, altering,
18 repairing, maintaining, improving, or demolishing a public highway,
19 structure, building, or other public improvement of any kind to real
20 property; it includes planning and design required for the construc-
21 tion; it does not include the routine operation of a public improve-
22 ment to real property;

23 (7) "contract" means all types of state agreements, regard-
24 less of what they may be called, for the procurement or disposal of
25 supplies, equipment for the state fleet, services, professional
26 services, or construction;

27 (8) "contract modification" means a written alteration in
28 specifications, delivery point, rate of delivery, period of perfor-
29 mance, price, quantity, or other provisions of a contract accomplished

1 by mutual action of the parties to the contract;

2 (9) "department" means the Department of Administration;

3 (10) "grant" means the furnishing by the state of assis-
4 tance, whether financial or otherwise, to a person to support a pro-
5 gram authorized by law; it does not include an award whose primary
6 purpose is to procure an end product, whether in the form of supplies,
7 services, professional services, or construction; a contract resulting
8 from such an award is not a grant but a procurement contract;

9 (11) "person" means a business, individual, union, commit-
10 tee, club, other organization, or group of individuals;

11 (12) "procurement" means buying, purchasing, renting, leas-
12 ing, or otherwise acquiring supplies, equipment for the state fleet,
13 services, or construction; it also includes functions that pertain to
14 the obtaining of a supply, equipment for the state fleet, service, or
15 construction, including description of requirements, selection and
16 solicitation of sources, preparation and award of contract, and all
17 phases of contract administration;

18 (13) "procurement officer" means a person authorized to
19 enter into and administer contracts for an agency and make written
20 determinations with respect to them; it also includes an authorized
21 representative of a procurement officer acting within the limits of
22 authority;

23 (14) "professional services" means professional, technical,
24 or consultant's services that are predominantly intellectual in char-
25 acter, result in the production of a report or the completion of a
26 task, and include analysis, evaluation, prediction, planning, or
27 recommendation; "professional services" does not include services
28 performed under an employment contract for services to be performed
29 under direct supervision, regardless of whether there is an employer-

1 employee relationship, if the person responsible for awarding the
2 contract files with the commissioner of administration a written
3 justification for the contract;

4 (15) "services" means the furnishing of labor, time, or
5 effort by a contractor, not involving the delivery of a specific end
6 product other than reports that are merely incidental to the required
7 performance; it does not include employment agreements or collective
8 bargaining agreements;

9 (16) "supplies" means all property procured for the use of
10 an agency, including equipment, materials, and insurance; it includes
11 leases of privately owned real property for the use of agencies, such
12 as office space, but does not include the procurement or disposition
13 of other interests in land; and

14 (17) "using agency" means an agency that uses supplies,
15 equipment from the state fleet, services, professional services, or
16 construction procured under this chapter.

17 Sec. 36.30.995. SHORT TITLE. This chapter may be cited as the
18 State Procurement Code.

19 * Sec. 3. AS 03.22.030 is amended to read:

20 Sec. 03.22.030. CENTER SITE, BUILDINGS AND EQUIPMENT. The
21 department shall obtain a site, either by donation, lease, or pur-
22 chase, and erect suitable buildings on the site, if they are needed
23 for the use of the plant materials center. The department shall also
24 acquire the agricultural land, scientific instruments and equipment
25 necessary to carry on the work of the center. Acquisition of scien-
26 tific instruments and equipment under this section is governed by
27 AS 36.30 (State Procurement Code).

28 * Sec. 4. AS 05.20.040 is amended to read:

29 Sec. 05.20.040. PERSONNEL TO INSPECT DEVICES. The department

1 shall designate a person qualified in experience and training as the
2 inspector of devices. The department may employ additional employees
3 as are necessary to administer this chapter. The inspector and the
4 employees may be hired on a temporary basis or borrowed from other
5 state departments or political subdivisions of the state, or the
6 department may contract with individuals or firms for the inspecting
7 service on an independent basis. The department shall prescribe the
8 salary or other remuneration for this service. Contracting under this
9 section is governed by AS 36.30 (State Procurement Code).

10 * Sec. 5. AS 09.50.250 is amended to read:

11 Sec. 09.50.250. ACTIONABLE CLAIMS AGAINST THE STATE. A person
12 or corporation having a contract, quasi-contract, or tort claim
13 against the state may bring an action against the state in the superi-
14 or court. A person who may present the claim under AS 44.77 may not
15 bring an action under this section except as set out in AS 44.77.-
16 040(c). A person who may bring an action under AS 36.30.560 - 36.30.-
17 695 may not bring an action under this section except as set out in
18 AS 36.30.685. However, no action may be brought under this section if
19 the claim

20 (1) is an action for tort, and is based upon an act or
21 omission of an employee of the state, exercising due care, in the
22 execution of a statute or regulation, whether or not the statute or
23 regulation is valid; or is an action for tort, and based upon the
24 exercise or performance or the failure to exercise or perform a dis-
25 cretionary function or duty on the part of a state agency or an em-
26 ployee of the state, whether or not the discretion involved is abused;

27 (2) is for damages caused by the imposition or establish-
28 ment of a quarantine by the state;

29 (3) arises out of assault, battery, false imprisonment,

1 false arrest, malicious prosecution, abuse of process, libel, slander,
2 misrepresentation, deceit, or interference with contract rights.

3 * Sec. 6. AS 14.08.101 is amended to read:

4 Sec. 14.08.101. POWERS. A regional school board may

5 (1) sue and be sued;

6 (2) contract with the department, the Bureau of Indian
7 Affairs, or any other school district, agency, or regional board for
8 the provision of services, facilities, supplies or utilities;

9 (3) determine its own fiscal procedures including but not
10 limited to policies and procedures for the purchase of supplies and
11 equipment; the regional school boards are exempt from the Fiscal
12 Procedures Act (AS 37.05) and the State Procurement Code (AS 36.30);

13 (4) appoint, compensate and otherwise control all school
14 employees in accordance with this title; these employees are not
15 subject to the State Personnel Act (AS 39.25);

16 (5) adopt regulations governing organization, policies and
17 procedures for the operation of the schools;

18 (6) establish, maintain, operate, discontinue and combine
19 schools subject to the approval of the commissioner;

20 (7) recommend to the department projects for construction,
21 rehabilitation, and improvement of schools and education-related
22 facilities as specified in AS 14.11.010(a), and plan, design, and
23 construct the project when the responsibility for it is assumed under
24 AS 14.11.020;

25 (8) exercise those other functions that may be necessary
26 for the proper performance of its responsibilities;

27 (9) by resolution adopted by a majority of all the members
28 of the board and provided to the commissioner of the department,
29 assume ownership of all land and buildings used in relation to the

1 schools in the regional educational attendance area;

2 (10) provide housing for rental to teachers, by leasing
3 existing housing from a local agency or individual, or by entering
4 into contractual arrangements with a local agency or individual to
5 lease housing that will be constructed by the local agency or indi-
6 vidual for that purpose.

7 * Sec. 7. AS 16.05.050 is amended to read:

8 Sec. 16.05.050. POWERS AND DUTIES OF COMMISSIONER. The commis-
9 sioner has, but not by way of limitation, the following powers and
10 duties:

11 (1) assist the United States Fish and Wildlife Service in
12 the enforcement of federal laws and regulations pertaining to fish and
13 game;

14 (2) through the appropriate state agency and under the
15 provisions of AS 36.30 (State Procurement Code), acquire by gift,
16 purchase, or lease, or other lawful means, land, buildings, water,
17 rights-of-way, or other necessary or proper real or personal property
18 when the acquisition is in the interest of furthering an objective or
19 purpose of the department and the state;

20 (3) under the provisions of AS 36.30, design and construct
21 hatcheries, pipelines, rearing ponds, fishways, and other projects
22 beneficial for the fish and game resources of the state;

23 (4) accept money from any person under conditions requiring
24 the use of the money for specific purposes in the furtherance of the
25 protection, rehabilitation, propagation, preservation, or investiga-
26 tion of the fish and game resources of the state or in settlement of
27 claims for damages to fish or game resources;

28 (5) collect, classify, and disseminate statistics, data and
29 information that, in the commissioner's discretion, will tend to

1 promote the purposes of this title except AS 16.51 and AS 16.52;

2 (6) capture, propagate, transport, buy, sell, or exchange
3 fish or game or eggs for propagating, scientific or stocking purposes;

4 (7) under the provisions of AS 36.30, provide public facil-
5 ities where necessary or proper to facilitate the taking of fish or
6 game, and enter into cooperative agreements with any person to effect
7 them;

8 (8) exercise administrative, budgeting, and fiscal powers;

9 (9) under the provisions of AS 36.30, construct, operate,
10 supervise, and maintain vessels used by the Department of Fish and
11 Game;

12 (10) authorize the holder of an interim-use permit under
13 AS 16.43 to engage on an experimental basis in commercial taking of a
14 fishery resource with vessel, gear, and techniques not presently
15 qualifying for licensing under this chapter in conformity with stand-
16 ards established by the Alaska Commercial Fisheries Entry Commission;

17 (11) not later than January 31 of each year, provide to the
18 commissioner of revenue the names of those fish and shellfish species
19 which the commissioner of fish and game designates as developing
20 commercial fish species for that calendar year; a fish or shellfish
21 species is a developing commercial fish species if, within a specified
22 geographical region,

23 (A) the optimum yield from the harvest of the species
24 has not been reached;

25 (B) a substantial portion of the allowable harvest of
26 the species has been allocated to fishing vessels of a foreign
27 nation; or

28 (C) a commercial harvest of the fish species has
29 recently developed;

1 (12) initiate or conduct research necessary or advisable to
2 carry out the purposes of this title except AS 16.51 and AS 16.52;

3 (13) enter into cooperative agreements with agencies of the
4 federal government, educational institutions, or other agencies or
5 organizations, when in the public interest, to carry out the purposes
6 of this title except AS 16.51 and AS 16.52.

7 * Sec. 8. AS 16.05.826(c) is amended to read:

8 (c) The department may contract to others the performance of the
9 department's responsibilities under this section. Contracting under
10 this subsection is governed by AS 36.30 (State Procurement Code),
11 except that a [A] contract may include provisions for advance payment
12 or reimbursement for services performed under the contract. All costs
13 incurred under this section may be paid from the fish and game fund.

14 * Sec. 9. AS 18.15.120 is amended to read:

15 Sec. 18.15.120. TUBERCULOSIS CONTROL PROGRAM AUTHORIZED. The
16 department may establish a comprehensive program for the control of
17 tuberculosis in the state, and may

18 (1) arrange means by which persons in the state may be
19 X-rayed to determine the presence of tuberculosis;

20 (2) establish necessary out-patient clinics for the care of
21 tuberculosis;

22 (3) encourage and promote the establishment of adequate
23 sanatorium facilities within the state to care for persons suffering
24 from tuberculosis and allied conditions;

25 (4) under the provisions of AS 36.30 (State Procurement
26 Code), obtain, by purchase or donation from surplus federal property
27 or otherwise, medical supplies and equipment useful in carrying out
28 this program and to allot or resell these supplies and equipment to
29 private institutions engaged by the department to carry out this

1 program;

2 (5) under the provisions of AS 36.30, contract with hos-
3 pitals, associations, or sanatoria qualified and equipped to give
4 adequate care inside or outside the state;

5 (6) employ necessary and trained personnel to carry out the
6 purposes of AS 18.15.120 - 18.15.140;

7 (7) pay the costs of care and incidental expenses for
8 residents of the state, in whole or in part, depending on the ability
9 of each patient to pay, and the temporary costs of care and transpor-
10 tation for nonresidents on the same basis until they can be trans-
11 ferred to their residence;

12 (8) enlist the cooperation of state and federal agencies
13 operating in the state for the furtherance of this program;

14 (9) establish standards in accordance with department
15 procedure for the care of tuberculars receiving treatment under
16 AS 18.15.120 - 18.15.140.

17 * Sec. 10. AS 18.55.100 is amended by adding a new subsection to read:

18 (d) The authority's power to contract, lease, rent, construct,
19 acquire, procure, and provide for services under this section is
20 governed by AS 36.30.

21 * Sec. 11. AS 19.05.020 is amended to read:

22 Sec. 19.05.020. REGULATIONS. The department shall adopt regu-
23 lations necessary to carry out the purpose of AS 19.05 - AS 19.25.
24 The regulations may not conflict with AS 36.30 (State Procurement
25 Code) or regulations adopted by the Department of Administration to
26 implement that chapter.

27 * Sec. 12. AS 19.05.080 is amended to read:

28 Sec. 19.05.080. ACQUISITION OF LAND, RIGHTS-OF-WAY, AND MATE-
29 RIALS BY PURCHASE OR EMINENT DOMAIN. The department on behalf of the

1 state and as part of the cost of constructing or maintaining a highway
2 may purchase in the open market, acquire, take over, or condemn under
3 the right and power of eminent domain land in fee simple or easements
4 which it considers necessary for present public use, either temporary
5 or permanent, or which it considers necessary and reasonable for the
6 public use. By the same means, the department may obtain material,
7 including clay, gravel, sand, or rock, or the land necessary to obtain
8 material, including access to it. The department may acquire the land
9 or materials notwithstanding the fact that title to it is vested in
10 the state or a department, agency, commission or institution of the
11 state. Acquisition of materials by purchase in the open market under
12 this section is governed by AS 36.30 (State Procurement Code).

13 * Sec. 13. AS 19.10.160 is amended to read:

14 Sec. 19.10.160. STANDARD PLANS AND SPECIFICATIONS. The depart-
15 ment shall prepare and adopt uniform standard plans and specifications
16 for the establishment, construction and maintenance of highways in the
17 state. The department may amend the plans and specifications as it
18 considers advisable. The standards shall conform as closely as
19 practicable to those adopted by the American Association of State
20 Highway and Transportation Officials.

21 * Sec. 14. AS 19.10.170(a) is amended to read:

22 (a) Except as provided in [AS 36.98 AND] AS 44.33.300, it is
23 [SHALL BE] the general policy of the state [DEPARTMENT] to require the
24 construction of all highways under bid contract in accordance with
25 AS 36.30 (State Procurement Code). However, subject to the provisions
26 of (b) of this section, when the estimated cost of a construction
27 project is less than \$100,000 or when it appears to be in the best
28 interests of the state, the department may perform the work notwith-
29 standing any other provisions of law.

1 * Sec. 15. AS 19.10.180 is repealed and reenacted to read:

2 Sec. 19.10.180. REQUEST FOR PUBLIC BIDS. Requests for public
3 bids are governed by AS 36.30 (State Procurement Code). The request
4 for public bids may require the contractor to furnish equipment,
5 labor, materials, and supplies for the project, or it may state that
6 the department will furnish the materials and supplies. If the de-
7 partment elects to provide materials and supplies for a project, it
8 shall do so at the time it adopts the construction program. The
9 department shall acquire these materials and supplies under AS 36.30
10 by requesting bids for them according to the class, type, and nature
11 of the materials and supplies. The contract for materials and sup-
12 plies may be awarded either upon the basis of delivery to the con-
13 struction project directly or to a central storehouse or storehouses
14 maintained by the department. Those materials and supplies so pur-
15 chased by the department may be delivered to the project site without
16 expense to the contractor, or it may sell them to the contractor at
17 cost and make the materials and supplies a part of the construction
18 cost.

19 * Sec. 16. AS 19.10.200 is repealed and reenacted to read:

20 Sec. 19.10.200. PROCEDURES FOR THE AWARD OF CONTRACTS. The
21 award of a contract for highway construction work is governed by
22 AS 36.30 (State Procurement Code), AS 19.05 - AS 19.25, and regula-
23 tions adopted under those laws.

24 * Sec. 17. AS 19.30.070 is amended to read:

25 Sec. 19.30.070. CONTRACTS FOR CONSTRUCTION OF ROADS. The
26 director of the division of lands may contract with private persons
27 for the construction of roads to and on state lands programmed for
28 surface disposal which are not more than six miles from existing roads
29 or highways. Contracts under this section are governed by AS 36.30

1 (State Procurement Code).

2 * Sec. 18. AS 19.30.080 is amended to read:

3 Sec. 19.30.080. CONSTRUCTION STANDARDS AND MAINTENANCE. An
4 access road constructed under AS 19.30.060 - 19.30.100 shall be of low
5 standard, not necessarily suitable for all weather use. The state is
6 not under obligation to maintain an access road constructed under AS
7 19.30.060 - 19.30.100. If an access road is constructed outside a
8 municipality that has zoning ordinances, the right-of-way width for
9 the road shall be determined by the division of lands and the Depart-
10 ment of Transportation and Public Facilities. If an access road is
11 constructed within the boundaries of a municipality that has zoning
12 ordinances, the right-of-way width shall conform to the subdivision
13 control ordinances of the municipality. Contracts for the work on an
14 access road are governed by AS 36.30 (State Procurement Code) [SHALL
15 BE AWARDED TO THE LOWEST RESPONSIBLE BIDDER QUALIFIED TO CONTRACT WITH
16 THE STATE].

17 * Sec. 19. AS 19.60.010 is amended to read:

18 Sec. 19.60.010. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL
19 FACILITIES. The department shall construct, purchase or lease ferry
20 terminal facilities at locations it selects for the loading and un-
21 loading of passengers and vehicles under their own power, on and off
22 ferries. The department shall repair and maintain these facilities.
23 Construction and purchasing under this section are governed by
24 AS 36.30 (State Procurement Code).

25 * Sec. 20. AS 23.15.611(a) is amended to read:

26 (a) The department may [IS AUTHORIZED TO] participate in pro-
27 grams of manpower training if it finds they are necessary to meet the
28 occupational needs of the state. This authorization includes authori-
29 ty to execute on behalf of the state agreements or contracts which may

1 be necessary or desirable to enable the state to participate in a
2 program, to receive and expend all appropriate funds made available
3 for programs by the state or from other sources, to supervise the
4 expenditure of the funds and conduct of the programs by other public
5 and private agencies of the state, and to make the reports and certifi-
6 cates which are called for, and in cooperative arrangements with the
7 Department of Education. Contracts with private entities under this
8 subsection are governed by AS 36.30 (State Procurement Code).

9 * Sec. 21. AS 23.20.075(a) is amended to read:

10 (a) The department may acquire in the name of the state by term
11 purchase agreements based on competitive bids in accordance with
12 AS 36.30 (State Procurement Code) land and buildings upon terms and
13 conditions that [WHICH] are approved by the Bureau of Employment
14 Security of the United States, or its successor, for the purpose of
15 providing office space for the department at a place which the depart-
16 ment finds necessary and suitable.

17 * Sec. 22. AS 23.35.110 is amended to read:

18 Sec. 23.35.110. CONTRACTS FOR CARE. In carrying out this
19 chapter, the department may enter into contracts or other arrangements
20 with hospitals and doctors in the state for furnishing care on an
21 annual basis to persons entitled to benefits. Contracting under this
22 section is governed by AS 36.30 (State Procurement Code).

23 * Sec. 23. AS 24.55.275 is amended to read:

24 Sec. 24.55.275. CONTRACT PROCEDURES. The ombudsman shall adopt
25 by regulation procedures consistent with AS 36.30 [AS 24.23] to be
26 followed by the office of the ombudsman in contracting for services.
27 However, the procedure for requests for proposals does not apply to
28 contracts for investigations under AS 24.55.100.

29 * Sec. 24. AS 24.60.040(a) is amended to read:

1 (a) A person to whom this chapter applies may not be a party to
2 or have an interest in a state contract or lease unless the contract
3 or lease is let under the competitive bid procedure in AS 36.30 (State
4 Procurement Code) [AS 37.05.230] or the total annual amount of the
5 state contract or lease is \$1,000 or less, or is a standardized con-
6 tract or lease which was developed under publicly established guide-
7 lines and is generally available to the public at large, members of a
8 profession, occupation or group. A person has an interest in a state
9 contract or lease under this section if the person receives direct or
10 indirect financial benefits.

11 * Sec. 25. AS 26.05.230(a) is amended to read:

12 (a) Buildings and sites for armory purposes may be leased or
13 constructed, based upon location and size of units to be organized,
14 and shall be financed through state and federal appropriations or
15 both. These facilities may be made available by local communities or
16 by the cooperative arrangement between the state and the federal
17 government and any local community. Leasing and construction under
18 this subsection are governed by AS 36.30 (State Procurement Code).

19 * Sec. 26. AS 26.05.280 is amended to read:

20 Sec. 26.05.280. TRANSPORTATION, SUBSISTENCE, AND SUPPLIES.
21 There shall be provided by the state, transportation and subsistence
22 for all officers and enlisted persons who are ordered into active
23 service by the state for encampment, field duty, or other duty. Neces-
24 sary transportation, stores and subsistence for troops when ordered on
25 duty shall be contracted by the proper officers and paid for as other
26 military bills. Contracting under this section is governed by AS 36.-
27 30 (State Procurement Code).

28 * Sec. 27. AS 27.21.030 is amended to read.

29 Sec. 27.21.030. GENERAL POWERS. To accomplish the purposes of

1 this chapter, the commissioner may

2 (1) in accordance with the Administrative Procedure Act
3 (AS 44.62) adopt, amend, and enforce regulations pertaining to surface
4 coal mining and reclamation operations;

5 (2) issue permits;

6 (3) conduct hearings and conferences;

7 (4) issue orders requiring an operator to take the actions
8 necessary to comply with this chapter and the regulations adopted
9 under this chapter;

10 (5) issue orders modifying previous orders;

11 (6) after opportunity for a due process hearing, issue a
12 final order revoking the permit of an operator who has failed to
13 comply with an order of the commissioner to take action required by
14 this chapter or regulations adopted under this chapter;

15 (7) order the immediate cessation of all or part of a
16 surface coal mining and reclamation operation if the commissioner
17 finds that the operation or part of the operation creates an imminent
18 danger to the health or safety of the public or is causing or can
19 reasonably be expected to cause significant imminent harm to land,
20 air, or water resources, and, to the extent reasonably necessary to
21 eliminate or alleviate those conditions, take other action or make
22 changes in a permit, as provided in this chapter;

23 (8) hire and authorize the hiring of employees and private
24 contractors, subject to the conflict of interest provisions of this
25 chapter and subject to AS 36.30 (State Procurement Code), to assist in
26 carrying out the requirements of this chapter;

27 (9) enter and inspect a surface coal mining operation that
28 is subject to the provisions of this chapter to assure that the opera-
29 tion is in compliance with this chapter;

- 1 (10) conduct, encourage, request, and participate in
2 studies, surveys, investigations, research, experiments, training, and
3 demonstrations;
- 4 (11) prepare reports and require permittees to prepare
5 reports;
- 6 (12) accept, receive, and administer grants, gifts, or other
7 money made available for the purposes of this chapter regardless of
8 the source of the grants, gifts, or money;
- 9 (13) take the steps necessary to allow the state to partici-
10 pate to the fullest extent practicable in the abandoned mine land
11 program provided in Title IV of the Surface Mining Control and Recla-
12 mation Act of 1977, including engaged in any work and adopting, amend-
13 ing and enforcing regulations;
- 14 (14) take the actions necessary to establish and maintain
15 exclusive jurisdiction over surface coal mining and reclamation opera-
16 tions in the state under the provisions of the Surface Mining Control
17 and Reclamation Act of 1977, including making recommendations for
18 legislation to clarify or amend this chapter to conform with the terms
19 of the Surface Mining Control and Reclamation Act of 1977;
- 20 (15) contract with state agencies to obtain the professional
21 and technical services necessary to carry out the provisions of this
22 chapter;
- 23 (16) coordinate the review of applications and issuance of
24 permits for surface coal mining and reclamation operations with other
25 federal or state permit processes applicable to those operations;
- 26 (17) enter into cooperative agreements with the Secretary of
27 the United States Department of the Interior for the regulation of
28 surface coal mining operations on federal land in accordance with the
29 Surface Mining Control and Reclamation Act of 1977; and

1 (18) perform other duties required by this chapter.

2 * Sec. 28. AS 33.30.050 is amended to read:

3 Sec. 33.30.050. COMMISSIONER TO PROVIDE MEDICAL SERVICES. The
4 commissioner shall detail physicians, nurses, and psychiatrists, or
5 their aides, and laboratory technicians, employed by the department to
6 any prison facility where state prisoners are detained or confined,
7 for the purpose of furnishing necessary medical services, including
8 examinations for communicable and infectious diseases. However, if
9 medical services cannot be furnished by physicians, nurses, psychia-
10 trists, or their aides, and laboratory technicians, regularly employed
11 by the department, the commissioner may contract with private practi-
12 tioners located in the area of a prison facility to furnish these
13 services. The cost of contracted services shall be paid out of appro-
14 priations made to the department. Contracting for services under this
15 section is governed by AS 36.30 (State Procurement Code).

16 * Sec. 29. AS 33.30.062(a) is amended to read:

17 (a) The commissioner may enter into an agreement with a private-
18 ly operated correctional facility, but only if the facility is located
19 in the state and if the purpose of the agreement is to involve prison-
20 ers in a work or rehabilitation furlough program established under
21 this chapter, to provide necessary facilities under AS 33.30.282 -
22 33.30.288, or to confine prisoners convicted of a misdemeanor. An
23 [NOTWITHSTANDING AS 37.05.230(1)(B), AN] agreement awarded under this
24 subsection is governed by AS 36.30 (State Procurement Code) [SHALL BE
25 BASED ON COMPETITIVE BIDS].

26 * Sec. 30. AS 33.32.015(b) is amended to read:

27 (b) The commissioner of corrections may

28 (1) subject to AS 36.30 (State Procurement Code) [THE
29 FISCAL PROCEDURES ACT (AS 37.05)], use, purchase, lease, equip, and

1 maintain buildings, machinery, and other equipment, and may purchase
2 materials and enter into contracts, which may be necessary for the
3 correctional industries program;

4 (2) provide for prisoners to be employed in rendering
5 services and producing articles, materials, and supplies needed by a
6 state agency, a political subdivision of the state, an agency of the
7 federal government, other states or their political subdivisions, or
8 for use by nonprofit organizations;

9 (3) if the Correctional Industries Commission established
10 in AS 33.32.070 approves, employ prisoners to provide services or
11 products as needed by private industry if the services or products
12 have potential for contributing to the economy of the state and will
13 have minimal negative impact on an existing private industry or labor
14 force in the state.

15 * Sec. 31. AS 35.05.010 is amended to read:

16 Sec. 35.05.010. PLANNING AND CONSTRUCTION. The department is
17 responsible for the planning and construction of public works except
18 as provided for court facilities in AS 22.05.025. Contracts for
19 planning and construction of public works are governed by AS 36.30
20 (State Procurement Code).

21 * Sec. 32. AS 35.05.020 is amended to read:

22 Sec. 35.05.020. RULES AND REGULATIONS. The department shall
23 adopt [RULES AND] regulations that [WHICH] it considers necessary to
24 carry out the purpose of this title. The regulations may not conflict
25 with AS 36.30 (State Procurement Code) or the regulations adopted by
26 the Department of Administration under that chapter.

27 * Sec. 33. AS 35 is amended by adding a new section to read:

28 Sec. 35.10.195. CONFORMANCE WITH AS 36.30. The contractual
29 techniques for the procurement of labor, materials, and contractual

1 services under the policies developed under this chapter must conform
2 to the requirements of AS 36.30 (State Procurement Code).

3 * Sec. 34. AS 35.15.010(a) is amended to read:

4 (a) Except as provided in [AS 36.98 AND] AS 44.33.300, it is
5 [SHALL BE] the general policy of the state [DEPARTMENT] to require the
6 construction of all public works under bid contract in accordance with
7 AS 36.30 (State Procurement Code). However, when the estimated cost
8 of a construction project is less than \$100,000, or when it appears to
9 be in the best interests of the state, the department may perform the
10 work, notwithstanding any other provisions of law. A complete record
11 shall be kept by the commissioner or the commissioner's designee of
12 all transactions entered into under this section including names of
13 employees involved in the transactions.

14 * Sec. 35. AS 35.15.020 is repealed and reenacted to read:

15 Sec. 35.15.020. REQUEST FOR PUBLIC BIDS. The solicitation of
16 bids for construction of public works is governed by AS 36.30 (State
17 Procurement Code). The request for bids may require the contractor to
18 furnish equipment, labor, materials, and supplies for the project, or
19 it may state that the department will furnish the materials and sup-
20 plies. If the department elects to provide materials and supplies for
21 a project, it shall make the election at the time it adopts the con-
22 struction program. The department shall acquire these materials and
23 supplies under AS 36.30 by requesting bids for them according to the
24 class, type, and nature of the materials and supplies. The contract
25 may be awarded either upon the basis of delivery to the construction
26 project directly or to a central storehouse or storehouses maintained
27 by the department. Those materials and supplies so purchased by the
28 department may be delivered to the project site without expense to the
29 contractor, or it may sell them to the contractor at cost and make the

1 materials and supplies a part of the construction cost.

2 * Sec. 36. AS 35.15.040 is repealed and reenacted to read:

3 Sec. 35.15.040. PROCEDURES FOR THE AWARD OF CONTRACTS. Award of
4 a contract for the construction of a public work shall comply with
5 this title, AS 36.30 (State Procurement Code), and the regulations
6 adopted under those laws.

7 * Sec. 37. AS 35.20.010 is amended to read:

8 Sec. 35.20.010. ACQUISITION OF LAND, RIGHTS-OF-WAY, AND MATE-
9 RIALS BY PURCHASE OR EMINENT DOMAIN. The department, on behalf of the
10 state and as part of the cost of constructing or maintaining a public
11 work, may purchase in the open market, acquire, take over, or condemn
12 under the right and power of eminent domain land in fee simple or
13 easements which it considers necessary for present public use, either
14 temporary or permanent, or which it considers necessary and reasonable
15 for the public use. By the same means, the department may obtain
16 material including clay, gravel, sand, or rock, or the land necessary
17 to obtain the material, and the necessary land or easements to provide
18 access to it. The department may acquire the land or material
19 notwithstanding the fact that the title to it is in the state or a
20 department, agency, commission or institution of the state.
21 Acquisition of material in the open market under this section is
22 governed by AS 36.30 (State Procurement Code).

23 * Sec. 38. AS 37.05 is amended by adding a new section to read:

24 Sec. 37.05.232. PETTY CASH ACCOUNTS. The department shall
25 determine the amount of the petty cash accounts needed by each state
26 agency and inspect the petty cash accounts at least once each year to
27 determine that the total plus amounts of receipts for unreplenished
28 disbursements is equal to the fixed sum of cash set aside. Shortages
29 in petty cash accounts are a personal liability of the responsible

1 head of the agency to whom the account is set aside. The department
2 shall adopt necessary regulations governing use and replenishment of
3 petty cash funds.

4 * Sec. 39. AS 41.21.020(a) is amended to read:

5 (a) The Department of Natural Resources shall

6 (1) develop a continuing plan for the conservation and
7 maximum use in the public interest of the scenic, historic, archaeo-
8 logic, scientific, biological, and recreational resources of the
9 state;

10 (2) plan for and develop a system of state parks and recre-
11 ational facilities, to be established as the legislature authorizes
12 and directs;

13 (3) acquire by gift, purchase, or transfer from state or
14 federal agencies, or from individuals, corporations, partnerships or
15 associations, land necessary, suitable and proper for roadside, pic-
16 nic, recreational or park purposes;

17 (4) control, develop and maintain state parks and recrea-
18 tional areas;

19 (5) provide for the acquisition, care, control, supervi-
20 sion, improvement, development, extension and maintenance of public
21 recreational land, and make necessary arrangements, contracts or
22 commitments for the improvement and development of land acquired under
23 AS 41.21.010 - 41.21.040; contracting for improvement and development
24 under this paragraph is governed by AS 36.30 (State Procurement Code);

25 (6) adopt, in accordance with this section and the Adminis-
26 trative Procedure Act (AS 44.62), regulations governing the use and
27 designating incompatible uses within the boundaries of state park and
28 recreational areas to protect the property and to preserve the peace;

29 (7) cooperate with the United States and its agencies and

1 local subdivisions of the state to secure the effective supervision,
2 improvement, development, extension, and maintenance of state parks,
3 state monuments, state historical areas, and state recreational areas,
4 and secure agreements or contracts for the purpose of AS 41.21.010 -
5 41.21.040;

6 (8) encourage the organization of state public park and
7 recreational activities in the local political subdivisions of the
8 state;

9 (9) provide for consulting service designed to develop
10 local park and recreation facilities and programs;

11 (10) provide clearing-house services for other state agen-
12 cies concerned with park and recreation matters; and

13 (11) perform other duties as are prescribed by executive
14 order or by law;

15 (12) maintain memorials to Alaska veterans located in state
16 parks;

17 (13) adopt, in accordance with the Administrative Procedure
18 Act (AS 44.62), regulations governing the use of the Chena River State
19 Recreation Area and designating incompatible uses within the bound-
20 aries of the Chena River State Recreation Area in accordance with
21 AS 41.21.490.

22 * Sec. 40. AS 42.40.920(b) is amended to read:

23 (b) Unless specifically provided otherwise in this chapter, the
24 following laws do not apply to the operations of the corporation:

25 (1) AS 19;

26 (2) AS 30.15;

27 (3) AS 35;

28 (4) AS 36.30, except as specifically provided in AS 36.30

29 (State Procurement Code);

- 1 (5) AS 37.05;
2 (6) [(5)] AS 37.07;
3 (7) [(6)] AS 37.10.010 - 37.10.060;
4 (8) [(7)] AS 37.10.085;
5 (9) [(8)] AS 37.20;
6 (10) [(9)] AS 37.25;
7 (11) [(10)] AS 38;
8 (12) [(11)] AS 44.62.040 - 44.62.320.

9 * Sec. 41. AS 44.21.310(a) is amended to read:

10 (a) The telecommunications divisions, as directed by the deputy
11 commissioner, shall

12 (1) advise the governor on matters of policy and comprehen-
13 sive state planning for telecommunications services;

14 (2) make an annual report to the governor and to the legis-
15 lature on the activities of the telecommunications divisions;

16 (3) coordinate, manage, and supervise state programs in
17 telecommunications, including the management of those telecommunica-
18 tion services for the state obtained from common carriers and from the
19 communications industry;

20 (4) when requested, provide technical and consulting assis-
21 tance to the executive, judicial, and legislative branches of state
22 government, to the University of Alaska, and to private noncommercial
23 entities which request that assistance in facility procurement and
24 leasing and in identifying long-range goals and objectives for the
25 state and its political subdivisions in all aspects of telecommunica-
26 tions, including public, educational, and instructional telecommunica-
27 tions;

28 (5) prepare and maintain a state comprehensive telecommu-
29 nications development plan to further state telecommunications devel-

1 opment and to meet state telecommunications needs and prepare and
2 maintain a comprehensive inventory of all state communications facil-
3 ities;

4 (6) whenever feasible, procure services from private enter-
5 prise or certified and franchised utilities and contract for the
6 construction, management, operation and maintenance of telecommunica-
7 tions systems, and develop a procurement policy consistent with
8 AS 36.30 (State Procurement Code) [UNDER AS 37.05.010 - 37.05.410];
9 the procurement policy must seek to achieve the maximum benefit to the
10 public, and methods of procurement, including lease, purchase, rental,
11 or combinations of lease, purchase, and rental, must be selected on
12 the basis of factors such as the ratio of long-range costs versus
13 benefits, life cycle costing, and the costs to the communications
14 industry to the extent that these costs may affect local and long
15 distance basic telephone rates; procurement, contracting, construc-
16 tion, and maintenance under this paragraph is governed by AS 36.30;

17 (7) provide information and assistance to state agencies to
18 promote governmental coordination and unity in the preparation of
19 agency plans and programs involving the use of telecommunications;

20 (8) apply for and accept federal and private money, proper-
21 ty, or assistance, that may be appropriated, granted, or otherwise
22 made available to the telecommunications divisions and use and dis-
23 burse money and property for purposes consistent with AS 44.21.300 -
24 44.21.330 and AS 44.21.256 - 44.21.290, subject to reasonable limita-
25 tions imposed by the grantor;

26 (9) participate with other governmental units in planning,
27 and assist local governments and governmental conferences and councils
28 in the state in planning and coordinating their activities relating to
29 telecommunications;

1 (10) provide for the orderly transition to new telecommu-
2 nications services and systems by state agencies;

3 (11) serve as a clearinghouse for information, data, and
4 other materials which may be necessary or helpful to federal, state,
5 or local governmental agencies in the development of telecommunication
6 systems;

7 (12) coordinate their services and activities with those of
8 other state departments and agencies to the fullest extent possible to
9 avoid unnecessary duplication; and

10 (13) provide that all activities of the telecommunications
11 divisions are responsive to state statutes and regulations, and to the
12 regulations and rulings of the Federal Communications Commission.

13 * Sec. 42. AS 44.19.144(b) is amended to read:

14 (b) The director may

15 (1) With the written concurrence of the governor, enter
16 into contracts and subcontracts on behalf of the state to carry out
17 the provisions of AS 44.19.141 - 44.19.152; contracting under this
18 paragraph is governed by AS 36.30 (State Procurement Code);

19 (2) act for the state in the initiation, investigation,
20 evaluation of or participation in any program relative to the stated
21 purpose of AS 44.19.141 - 44.19.152 which may involve more than one
22 government or governmental unit;

23 (3) on behalf of the state, accept and expend any gifts or
24 grants made to the state with the approval of the governor where such
25 gifts or grants were made for the purposes of furthering the objec-
26 tives of the office.

27 * Sec. 43. AS 44.33.300 is amended to read:

28 Sec. 44.33.300. WAIVER OF CERTAIN PROVISIONS. When the
29 governor has by proclamation declared an area impacted by an economic

1 disaster, the following provisions regarding public contracts may be
2 waived to the extent specified in the proclamation.

3 (1) the requirement of a contractor's bond as prescribed in
4 AS 36.25.010 may be waived if the contract amount does not exceed
5 \$100,000;

6 (2) the public bid requirements as contained in AS 19.10.-
7 170, AS [19.10.190,] 19.30.191(b), AS 35.15.010 - 35.15.020, and
8 AS 36.30 (State Procurement Code) [AND AS 35.15.010 - 35.15.030] may
9 be waived if the contract is to be performed by a contractor whose
10 principal office is in the designated area and the contract amount
11 does not exceed \$50,000;

12 (3) the general policy to require all construction to be
13 under bid contract as contained in AS 19.10.170, AS 35.15.010, and
14 AS 36.30 (State Procurement Code) may be waived if the contract is to
15 be performed by the state, another governmental entity, or a nonprofit
16 entity.

17 * Sec. 44. AS 44.47.250 is amended by adding a new subsection to read:

18 (c) Contracts with persons or nongovernmental entities under
19 this section are governed by AS 36.30.

20 * Sec. 45. AS 44.47.490(a) is amended to read:

21 (a) The director may establish field offices under this chapter,
22 may hire one or more lending officers, and, under AS 36.30 (State
23 Procurement Code), may contract for the services of

24 (1) real property appraisers who are familiar with rural
25 construction; and

26 (2) engineers who are familiar with engineering problems in
27 arctic and subarctic regions.

28 * Sec. 46. AS 44.71.010 is amended to read:

29 Sec. 44.71.010. DISPOSITION OF OBSOLETE OR SURPLUS STATE PROP-

1 ERTY. The Department of Administration shall take possession of
2 obsolete or surplus property of the state for which there is no imme-
3 diate or prospective use, except abandoned or obsolete school build-
4 ings and other school property. It shall also take possession of
5 property remaining in the control of a commission or board of the
6 state government after the commission or board stops functioning. The
7 Department of Administration shall sell, lease, license, or dispose of
8 the property on the terms it considers for the best interests of the
9 state in conformance with regulations adopted under AS 36.30 (State
10 Procurement Code)

11 * Sec. 47. AS 44.77.010(a) is amended to read:

12 (a) Except as provided in (d) of this section, every [EVERY]
13 claim for reimbursement for money expended, or for compensation for
14 labor, materials, or supplies furnished, or services given to or for
15 the state, whether based on a contract or on a ratification, shall be
16 promptly presented to the appropriate administrative or executive
17 officer for approval and payment.

18 * Sec. 48. AS 44.77.010 is amended by adding a new subsection to read:

19 (d) A claim that is governed by AS 36.30.560 - 36.30.699 is not
20 governed by this chapter.

21 * Sec. 49. AS 44.85.120 is amended to read:

22 Sec. 44.85.120. CARE AND CUSTODY OF BONDS. The bond bank
23 authority, in accordance with AS 36.30 (State Procurement Code), may
24 enter into agreements or contracts with a bank, trust company, banking
25 or financial institution inside or outside the state as may be neces-
26 sary, desirable or convenient, in the opinion of the bond bank author-
27 ity, for rendering services in connection with the care, custody or
28 safekeeping of municipal bonds or other investments held or owned by
29 the bond bank authority, for rendering services in connection with the

1 payment or collection of amounts payable as to principal or interest,
2 and for rendering services in connection with the delivery to the bond
3 bank authority of municipal bonds or other investments purchased by it
4 or sold by it, and to pay the cost of those services. The bond bank
5 authority may also, in connection with any of the services to be
6 rendered by a bank, trust company or banking or financial institution
7 as to the custody and safekeeping of its municipal bonds or invest-
8 ments, require security in the form of collateral bonds, surety agree-
9 ments or security agreements in such form and amount as, in the opin-
10 ion of the bond bank authority, is necessary or desirable.

11 * Sec. 50. AS 44.99.001 is amended to read:

12 Sec. 44.99.001. ADMINISTRATION OF HIGHWAY SAFETY PROGRAM. The
13 governor may contract and do all other things necessary on behalf of
14 this state under 23 U.S.C. 401-404 (Highway Safety Act of 1966), and
15 may cooperate with interested persons and agencies to effectuate the
16 purposes of that Act. Contracting under this section is governed by
17 AS 36.30 (State Procurement Code). The governor may designate a
18 person to serve as the governor's highway safety representative;
19 however, the governor is the official in this state having the ulti-
20 mate responsibility for dealing with the federal government with
21 respect to programs and activities under the Federal Highway Safety
22 Act of 1966. The governor shall coordinate the activities relating to
23 highway safety of state departments, agencies and subdivisions and of
24 the Governor's Commission on Transportation Safety established in
25 AS 44.19.190.

26 * Sec. 51. AS 46.04.090(a) is amended to read:

27 (a) The department, when feasible, shall enter into contracts
28 with persons or private organizations to provide the personnel,
29 equipment, or other services or supplies which may be required to

1 carry out this chapter. Contracts under this section are governed by
2 AS 36.30 (State Procurement Code). When private contracting is not
3 feasible, the department may establish and maintain at ports, harbors,
4 or other locations in the state, the cleanup personnel, equipment, and
5 supplies which, in its judgment, are necessary to carry out this
6 chapter.

7 * Sec. 52. AS 46.07.040(a) is amended to read:

8 (a) The commissioner shall provide for the construction of
9 facilities under this chapter, and is authorized to provide for the
10 construction by contract or through grants to public agencies or
11 private nonprofit organizations, or otherwise. A [NO] contribution
12 toward the cost of the construction of a facility may not be required
13 from its users. Construction under this section by contract is gov-
14 erned by AS 36.30 (State Procurement Code).

15 * Sec. 53. AS 46.15.020(a) is amended to read:

16 (a) The commissioner shall exercise all those powers and do all
17 those acts necessary to carry out the provisions and objectives of
18 this chapter. The commissioner may

19 (1) subject to AS 36.30 (State Procurement Code), enter
20 into contractual agreements necessary to carry out the provisions of
21 this chapter including agreements with federal, state and local agen-
22 cies;

23 (2) apply for, accept, administer and expend grants, gifts,
24 and loans from the federal government and any other public or private
25 sources for the purposes of this chapter, and adopt procedures and do
26 acts not otherwise restricted by law which are necessary to qualify
27 the state to receive grants, gifts and loans;

28 (3) establish a division of water in the Department of
29 Natural Resources and assign to that division the responsibility for

1 carrying out the provisions of this chapter.

2 * Sec. 54. AS 47.05.015(c) is amended to read:

3 (c) A contract authorized under this section is exempt from the
4 competitive bid requirements of AS 36.30 (State Procurement Code)
5 [AS 37.05.230]. In awarding a contract under this section the depart-
6 ment shall [PUBLISH A] request [FOR] proposals in accordance with
7 regulations of the Department of Administration under AS 36.30 (State
8 Procurement Code) [DEPARTMENT].

9 * Sec. 55. AS 47.30.350(a) is amended to read:

10 (a) The department shall

11 (1) develop and submit to the Surgeon General of the United
12 States Public Health Service a comprehensive program for the con-
13 structing and equipping of hospitals and other facilities for the
14 examination, observation, care, and treatment of the mentally ill;

15 (2) develop and submit to the Surgeon General plans and
16 specifications for the constructing and equipping of the hospitals and
17 other facilities;

18 (3) construct and equip the hospitals and other facilities
19 in accordance with the program, plans, and specifications approved by
20 the Surgeon General; construction and equipping under this paragraph
21 is governed by AS 36.30 (State Procurement Code);

22 (4) cooperate, coordinate, and contract, wherever indicated
23 and desirable, with other state boards, departments and agencies, and
24 agencies of the United States in the construction program, and hire
25 necessary personnel and enter into contracts with private individuals
26 and companies, to the end that the hospitals and other facilities are
27 constructed in the most economical and expeditious manner; contracting
28 and construction under this section are governed by AS 36.30 (State
29 Procurement Code).

1 Sec. 56. AS 47.30.660 is amended to read:

2 Sec. 47.30.660. POWERS AND DUTIES OF DEPARTMENT. The depart-
3 ment is the mental health authority of the state and shall

4 (1) administer a comprehensive program for the prevention
5 of mental illness and the care and treatment of the mentally ill,
6 including inpatient and outpatient care and treatment and the procure-
7 ment of services of specialists or other persons on a contractual or
8 other basis;

9 (2) take the actions and undertake the obligations which
10 are necessary to participate in federal grants-in-aid programs and
11 accept federal or other financial aid from whatever sources for the
12 study, examination, care, and treatment of the mentally ill;

13 (3) administer AS 47.30.660 - 47.30.915;

14 (4) designate, operate, and maintain treatment facilities
15 equipped and qualified to provide inpatient and outpatient care and
16 treatment for the mentally ill;

17 (5) provide for the placement of mentally ill patients in
18 designated treatment facilities;

19 (6) enter into arrangements with governmental agencies for
20 the care or treatment of the mentally ill in facilities of the govern-
21 mental agencies in the state or in another state;

22 (7) enter into contracts with treatment facilities for the
23 custody and care or treatment of the mentally ill; contracts under
24 this paragraph are governed by AS 36.30 (State Procurement Code);

25 (8) enter into contracts which incorporate safeguards
26 consistent with AS 47.30.660 - 47.30.915 and the preservation of the
27 civil rights of the patients with another state for the custody and
28 care or treatment of patients previously committed from this state
29 under 48 U.S.C., sec. 46 et seq., and P.L. 830, 84th Congress, 2nd

1 Session, 70 Stat. 709;

2 (9) prescribe the form of applications, records, reports,
3 requests for release, and consents to medical or psychological treat-
4 ment required by AS 47.30.660 - 47.30.915;

5 (10) require reports from the head of a treatment facility
6 concerning the care of patients;

7 (11) visit each treatment facility at least annually to
8 review methods of care or treatment for patients;

9 (12) investigate complaints made by a patient or an inter-
10 ested party on behalf of a patient;

11 (13) delegate upon mutual agreement to another officer or
12 agency of it, or a political subdivision of the state, or a treatment
13 facility designated, any of the duties and powers imposed upon it by
14 AS 47.30.660 - 47.30.915; and

15 (14) adopt regulations to implement the provisions of
16 AS 47.30.660 - 47.30.915.

17 * Sec. 57. AS 47.35.010(a) is amended to read:

18 (a) The department may

19 (1) license and supervise boarding homes, foster homes,
20 group homes, nurseries, institutions caring for children and foster
21 homes, group homes and institutions caring for dependent adults;

22 (2) investigate and supervise licensees;

23 (3) enforce the standards established by it;

24 (4) contract with private or municipal agencies to investi-
25 gate and make recommendations to the department for the licensing and
26 supervision of boarding homes, foster homes, group homes, nurseries,
27 institutions caring for children and foster homes, group homes and
28 institutions caring for dependent adults under procedures and
29 standards of operation established by the department; contracts with

1 private agencies under this paragraph are governed by AS 36.30 (State
2 Procurement Code).

3 * Sec. 58. AS 47.37.030 is amended to read:

4 Sec. 47.37.030. POWERS OF OFFICE. The office may

5 (1) plan, establish, and maintain treatment programs as
6 appropriate;

7 (2) make contracts and award grants necessary or incidental
8 to the performance of its duties and the execution of its powers,
9 including contracts with and grants to public and private agencies,
10 organizations, and individuals, to pay them for services rendered or
11 furnished to alcoholics or intoxicated persons; to the maximum extent
12 possible, contracts and grants shall be for a period of two years;
13 contracts under this paragraph are governed by AS 36.30 (State Pro-
14 curement Code);

15 (3) solicit and accept for use a gift of money or property
16 or a grant of money, services, or property from the federal govern-
17 ment, the state, or a political subdivision of it or a private source,
18 and do all things necessary to cooperate with the federal government
19 or any of its agencies in making an application for a grant;

20 (4) administer or supervise the administration of the
21 provisions relating to alcoholics and intoxicated persons of any state
22 plan submitted for federal funding under federal health, welfare, or
23 treatment legislation;

24 (5) coordinate its activities and cooperate with alcoholism
25 programs in this and other states, and make contracts and other joint
26 or cooperative arrangements with state, local, or private agencies for
27 the treatment of alcoholics and intoxicated persons and for the common
28 advancement of alcoholism programs in this and other states;

29 (6) keep records and engage in research and the gathering

1 of relevant statistics;

2 (7) do other acts necessary to implement the authority
3 expressly granted to it;

4 (8) acquire, hold, or dispose of real property or any
5 interest in it, and construct, lease, or otherwise provide treatment
6 facilities for alcoholics and intoxicated persons; however, the office
7 shall encourage local initiative, involvement and financial participa-
8 tion under grants-in-aid whenever possible in preference to the con-
9 struction or operation of facilities directly by the office; contract-
10 ing and construction under this paragraph are governed by AS 36.30.

11 * Sec. 59. AS 47.37.130(g) is amended to read:

12 (g) The office may contract for the use of any facility as an
13 approved public treatment facility if the coordinator, subject to the
14 regulations of the department, considers this an effective and econom-
15 ical course to follow. Contracting under this subsection is governed
16 by AS 36.30 (State Procurement Code).

17 * Sec. 60. AS 47.90.010(a) is amended to read:

18 (a) The commissioner, in consultation with state and local
19 government agencies, community groups, and groups concerned with
20 displaced homemakers, may

21 (1) contract with eligible private profit and nonprofit
22 corporations for multipurpose service centers for displaced home-
23 makers; contracting under this paragraph is governed by AS 36.30
24 (State Procurement Code); and

25 (2) coordinate existing state programs for displaced home-
26 makers.

27 * Sec. 61. AS 47.40.041(b) is amended to read:

28 (b) Notices published by the department concerning the opening
29 of the application process for a grant award shall specify the geo-

1 graphical area in which services are needed, the type of services, the
2 number of beds anticipated to be needed, the maximum number of days of
3 care, and any other requirements established by the department.
4 Grants authorized under this section are exempt from AS 36.30 (State
5 Procurement Code) [THE COMPETITIVE BID REQUIREMENTS OF AS 37.05.230].

6 * Sec. 62. REPORT. By December 1, 1987, the commissioner of adminis-
7 tration and the commissioner of transportation and public facilities shall
8 report to the legislature concerning procurements by state agencies during
9 the first six months of 1987. The report must include

- 10 (1) the records prepared under AS 36.30.510(4);
11 (2) recommendations for changes in AS 36.30 or other laws based
12 on implementation of AS 36.30 in those six months; and
13 (3) a description of any matters that involved litigation con-
14 cerning AS 36.30 during those six months.

15 * Sec. 63. REGULATIONS DEADLINE. The regulations required under
16 AS 36.30 as added by sec. 2 of this Act, shall be adopted by January 1,
17 1987 and shall be effective on that date. Regulations adopted under laws
18 repealed in sec. 64 of this Act become ineffective January 1, 1987.

19 * Sec. 64. REPEALER. The following laws are repealed: AS 14.40.340;
20 AS 19.10.190, 19.10.210; AS 24.23; AS 35.15.030, 35.15.050; AS 36.98;
21 AS 37.05.220, 37.05.230, 37.05.231, 37.05.240, 37.05.250, 37.05.260, 37.-
22 05.270, 37.05.280, 37.05.290, 37.05.400(2) and (3); AS 44.65; AS 44.77.-
23 010(c); and AS 47.90.010(c).

24 * Sec. 65. Section 63 of this Act takes effect immediately in accor-
25 dance with AS 01.10.070(c).

26 * Sec. 66. Except as provided in sec. 65, this Act takes effect Janu-
27 ary 1, 1987.

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 *Jan Faiks* Phone : 465-4523
 Division : Senate Finance Committee *Jan Faiks* 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

Requester : _____

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

Division : Senate Finance Committee

Phone : 465-4523

Date : 4/1/86

Approved by Commissioner : _____

Date : _____

Agency : _____

Distribution (by Agency preparing fiscal note) :

Legislative Finance

Legislative Sponsor

Requester

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 : Commerce & Economic Dev

BRU : Alaska State Housing Authority

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

Division : Senate Finance Committee

Phone : 465-4523

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 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 NS SB 341 (Jud)
 Title State Procurement Practices

 Sponsor : Rules Committee
 Requester : 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

BRU : and Public Facilities

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 : 4654523

Date : _____

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

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W
JUNEAU, ALASKA 99811-3300

RECEIVED
ASHA

February 25, 1986

FEB 28 '86

Mr. Wayne I. Tucker
Office of Inspector General
Western Regional Office
P.O. Box 5400
Albuquerque, NM 87115

Route	XX
Route	DSX
Route	XX
File	1

Dear Mr. Tucker:

In your February 14, 1986 letter, you inquired about the audit coverage of certain federal funds expended by the Alaska Department of Commerce and Economic Development (DCED). Specifically, your concerns centered around Alaska State Housing Authority (ASHA) which is an independent, quasi-corporation that is related to DCED only in an administrative way as specified by State statute. Because of this operational separation, we exclude ASHA from our State Department audit of DCED.

A public accounting firm audits ASHA of which you have received a copy of their 1984 combined financial statements. The auditor's opinion references a scope exclusion which includes, "and certain federally subsidized activities." This exclusion relates to federally subsidized Department of Housing and Urban Development (HUD) programs referenced in Note 1 to the financial statements.

The HUD programs are audited by the same public accounting firm (Coopers and Lybrand) but are done so on a two-year cycle. The last audit report we received by this office was for the two years ended 3/31/84, and entitled "Examination of Financial Statements and Supplementary Data of: Annual Contribution Contracts, Preliminary Loan Contract, Section 8, S-014E."

If you haven't received a copy of this report, I would suggest you contact Mr. Paul Harris of ASHA. Furthermore, you may consider contacting HUD directly regarding federal compliance audit coverage of ASHA.

Mr. Wayne Tucker

-2-

February 25, 1986

If we can be of further assistance, feel free to contact me.

Sincerely,



Merle R. Jenson
Deputy Legislative Auditor
Division of Legislative Audit

cc: Paul Harris, ASHA



U.S. Department of Housing and Urban Development
Anchorage Office, Region X
701 "C" Street, Box 64
Anchorage, Alaska 99513

RECEIVED
ASHA

JAN 31 '86

JAN 31 1986

Barbara Morse-Quinn, Executive Director
Alaska State Housing Authority
Post Office Box 100080
Anchorage, Alaska 99510-0080

Route	EX	cc
Route	DEX	cc
Route	All Dept	Leads cc
File	EX	Sec
Board		

Dear Ms. Morse-Quinn:

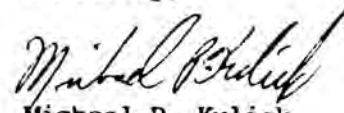
Subject: Senate Bill 8001
Proposed State Procurement Act

It has just come to our attention that Senate Bill 8001 does provide for an amendment to AS 18.55.100 by adding, "(d) The authority's power to contract, lease, rent, construct, acquire, procure and provide for services under this section is governed by AS 36.30."

We think the only logical application of this subsection with respect to leasing and renting is where Alaska State Housing Authority is procuring a lease for itself, equipment rentals, or similar transactions.

We do not recall any aspect of Senate Bill 8001 which would apply to the leasing of space to tenants. Inasmuch as Alaska State Housing Authority's tenant leasing policies and practices are subject to the U. S. Department of Housing and Urban Development's regulations and other requirements, we would find objectionable any application of Senate Bill 8001 in this regard. ✓

Sincerely,


Michael P. Kulick
Manager

AGU

A M E N D M E N T

TO: Proposed CS For SB 341 (Jud)
Dated: March 7, 1986

- (1) Page 10, line 18 and 19:

Sec. 36.30.115. SUBCONTRACTORS. (a) Within ~~72~~ [24] hours after the opening of bids, the apparent low [EACH] bidder shall submit a list of subcontractors the bidder proposes to use in the performance of the contract.

- (2) Page 11, line 8, a new section to read:

(c) The listing of a subcontractor by a prime contractor is not an expressed or implied acceptance of a subcontractor's bid by a prime contractor.

Renumber following sections accordingly.

- (3) Page 17, line 6:

Alaska business license and, within ~~72~~ [24] hours after the date by

must be substituted in order form

FISCAL NOTE SUMMARY FOR SENATE BILL 341

<u>Department</u>	<u>Amount</u>	<u>Positions</u>
✓ Community and Regional Affairs	\$ 243,200	10 F/T
✓ Alaska State Housing Authority	\$2,890,310	13 F/T
✓ Department of Administration General Services	\$ 493,700	9 F/T
✓ Department of Administration Administrative Services	\$ 136,800	3 F/T
✓ Department of Natural Resources	\$ 33,500	1 F/T
Department of Environmental Conservation	\$ 49,400	1 F/T
Department of Transportation	<u>\$ 200,000</u>	<u>1 F/T</u>
TOTAL	\$4,046,910	38 F/T

Public Safety

- 0 -

- 0 -

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER POSITION PAPER

☐ **POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700**

☐ **949 E. 38TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 583-1073**

RE: CS for SB 341

SPONSOR: Senate Rules Committees

Comments

This bill provides for a major restructuring and revision of the statutes governing the procurement of supplies, services, professional services, and construction by State agencies. Several of the requirements currently existing in statutes concerning procurement would be changed. The bill would affect all of the Department's procurement activities.

Grants Definition

Of greatest concern to the Department of Community and Regional Affairs is the possibility the definition of "procurement" in the bill may be too broad and could be interpreted as applying to many of the Department's grant activities.

At issue is the basic distinction between the definitions of procurements and grants. Under Section 36.30.850(b)(1), "grants" are exempted from the provisions of the bill. Sections 36.30.990 (10) and (12) of the bill provide the definitions of "grants" and "procurements", respectively. The Department does not believe that these definitions are adequate to differentiate between the two.

If our existing grants are redefined as procurement contracts, as defined under Section 36.30.990 (12), the Department would be required to implement a considerable number of additional administrative activities in order to comply with the provisions of CS SB 341. This, in turn, would substantially increase the need for additional staff and administrative dollars.

For example, due to the limitations on sole source procurements contained in Section 36.30.300 of the bill, this Department would be required to prepare a competitive sealed bid or proposal for each of the Legislative Grants (grants authorized under AS 37.05.316 and AS 37.05.317) administered by the Department. A significant number of these grants are appropriated annually to the Department. These new administrative procedures would increase the amount of time required to develop and obtain a signed contract and due to the solicitation requirements may lead, in this example, to the grant being provided to an entity different than that intended to receive the grant by the Legislature.

The Department also notes that Sections 46 and 65 of CS SB 341 subject the Day Care Assistance program and the Displaced Homemaker's program, respectively, to the provisions of the bill. The Department considers these programs to be grants and not procurements and suggests that these sections should be deleted.

Department Recommendations

The Department of Community and Regional Affairs believes that one of the major problems with the definitions of grants and procurements in the bill, is that neither provide an indication of the main beneficiary of the funds.

The Department suggests that procurements are primarily for the acquisition of services or supplies to enable the agency to conduct its operations and hence, are for the direct benefit of the State agency. Conversely, a grant is primarily to serve or fulfill some needed public purpose within the recipient's community and hence, directly benefits that community. The State or grantor agency only benefits indirectly from the project through the increase in the general welfare of the State.

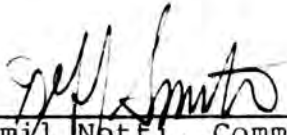
The Department of Community and Regional Affairs suggests that another major distinction between grants and procurements is that grantees are most typically entities which are organized for a public purpose and/or operate in a manner which does not yield them a profit. Conversely, procurements are most typically made with entities which are organized for profit.

In view of the above, the Department of Community and Regional Affairs recommends the following language be used in CS SB 341 as the definition of a grant.

GRANT: An agreement between a State agency and an entity which is typically not organized for profit (e.g., municipal corporation, non-profit corporation, tribal organization organized under the Indian Reorganization Act, traditional councils) and which typically represents a public interest group (e.g., community, region). The agreement provides for the performance of a public purpose which is primarily for direct benefit to the people which the grant recipient represents. The State gains only indirectly through the benefit derived by the community or region.

The Department believes this definition helps clarify the distinction between grants and procurements. This definition would ensure that grants are not mistakenly classified as procurements and subject to the greater administrative requirements provided in CS SB 341. This, in turn, would significantly reduce the fiscal impact on this Department expected under the present language of the bill.

The Department of Community and Regional Affairs does favor the overall intent of the bill. If the above enumerated concerns are properly addressed, the Department's fiscal note could be reduced to 47.7; these costs are associated with the Administrative Officer I position in the Division of Administrative Services.



Emil Notet, Commissioner
March 28, 1986

STATE OF ALASKA 1986 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 341
 Title : An Act relating to State procurement practices and procedures
 Sponsor : Rules Committee by request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Community & Regional Affairs
 BRU : Local Government Assistance; Child Assistance, Displaced Homemakers, Administration and Support
 Components : Grants Administration, Child Care, Displaced Homemakers, Administrative Services

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		202.1	404.1	416.2	428.7	441.6
TRAVEL		9.2	18.4	19.0	19.6	20.2
CONTRACTUAL		11.6	23.2	23.9	24.6	25.3
SUPPLIES		1.8	3.7	3.8	3.9	4.0
EQUIPMENT		18.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		243.2	449.4	462.9	476.8	491.1

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

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

FUNDING : (Thousands of Dollars)

GENERAL FUND		243.2	449.4	462.9	476.8	491.1
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		10	10	10	10	10
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary. This bill provides for a major restructuring and revision of the statutes governing the procurement of supplies, services, professional services, and construction by State agencies. Several of the requirements currently existing in statutes concerning procurement would be changed. The bill would affect all of the Department's procurement activities.

Prepared by : Remond Henderson *Remond Henderson* Phone : 465-4708
 Division : Administrative Services Date : 3/28/86

Approved by Commissioner : Emil Notti *Emil Notti* Date : 3/28/86
 Agency : Community and Regional Affairs

Distribution (by Agency preparing fiscal note) :

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 341

This fiscal note is a combination of the fiscal impact of CS SB 341 on various BRU's and components within the Department. Following is a summary of the fiscal impact on each Division.

Assumptions

1. The definition of "procurement" in CS SB 341 is interpreted as applying to projects currently treated as grants creating an increase in time to prepare and review the required documents.
2. Number of grants each staff could effectively administer would be greatly reduced.
3. The Department receives a significant number of new grants each year.
4. The Department would need to provide increased oversight of procurement documents in order to provide some measure of quality control within the Department.

Municipal and Regional Assistance Division

- 4 Grants Administrators to more closely monitor grants and meet increased requirements under proposed procurement provisions - \$182.7
- 1 Clerk Typist III and 1 Administrative Assistant to provide additional clerical and technical support for increased professional staff - \$66.6

Community Development Division

- 1 Grants Administrator and 1 Community Development Specialist I/II to more closely monitor grants and meet increased requirements under proposed procurement provisions \$112.5
- 1 Clerk Typist III to provide additional clerical support - \$32.4

Administrative Services Division

One Administrative Officer I position to provide training and technical assistance to departmental staff to assure compliance with the procurement provisions and to serve as final review of all documents - \$47.4

All positions are full-time 12-month positions. However, since CS SB 341 is effective January 1, 1987, FY 87 costs are for six months.

NOTE: If the definition of procurement is amended to exclude the bulk of grants administered by the Department, the fiscal impact of the bill would be greatly reduced.

Position Title Grants Administrator - Beginning FY 87			No. of Positions 4	Range/Step 17/A	Barg. Unit GGU	Gov. Leg.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Anchorage	Election District																													
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary 34,740 x 4</td> <td>138,960</td> </tr> <tr> <td>Benefits 10,930 x 4</td> <td>43,720</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td>182,680</td> </tr> <tr> <td>Total Personal Services</td> <td></td> </tr> <tr> <td>Travel</td> <td>5,000</td> </tr> <tr> <td>Contractual</td> <td>12,000</td> </tr> <tr> <td>Commodities</td> <td>1,000</td> </tr> <tr> <td>Equipment</td> <td>8,000</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>208,680</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	2	Salary 34,740 x 4	138,960	Benefits 10,930 x 4	43,720	Premium Pay		Other	182,680	Total Personal Services		Travel	5,000	Contractual	12,000	Commodities	1,000	Equipment	8,000	Other		Total Cost	208,680	Justification CS SB 341, as written, would subject virtually all of the Division's grants to unincorporated communities and nonprofit organizations to the provisions of the proposed State procurement practices and procedures. The fiscal impact of this would be significant as virtually all grants would have to be treated as Professional Services Contracts. The procurement practices of the grantee would have to be more closely monitored with corresponding increases in oversight and reporting. The number of grants each administrator could adequately monitor would be greatly reduced. For purposes of this fiscal note, it is assumed the average number of grants per administrator would have to be reduced from about 75 per person to 20 grants per person.				
Type of Expenditure	Amount																																
1	2																																
Salary 34,740 x 4	138,960																																
Benefits 10,930 x 4	43,720																																
Premium Pay																																	
Other	182,680																																
Total Personal Services																																	
Travel	5,000																																
Contractual	12,000																																
Commodities	1,000																																
Equipment	8,000																																
Other																																	
Total Cost	208,680																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>208.7</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1008</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	208.7		I-A Receipts 1005			Program Receipts 1008			CIP Receipts 1061			Other		These four Grants Administrator positions would prepare grant contracts and procurement documents, closely monitor grant progress, provide advice and grant administration technical assistance, and assist grantees in finishing and closing out contracts. This would require funding for toll calls and some travel funds.						
Receipt Code	Funding Source	Amount																															
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	208.7																															
	I-A Receipts 1005																																
	Program Receipts 1008																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

**Request For
New Position**

Agency Community and Regional Affairs
 BRU Local Government Assistance
 Component Grants Administration

FY 87

Page 1 of 1
 Revised Date _____

Position Title Administrative Assistant (Beginning FY87)			No. of Positions 12/A	Range/Step 12/A	Base Unit GGU	Gov.	Approv.	Disapp.																										
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.																												
Justification																																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <td>1</td> <td>2</td> </tr> <tr> <td>Salary</td> <td>24,865</td> </tr> <tr> <td>Benefits</td> <td>8,683</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>33,548</td> </tr> <tr> <td>Travel</td> <td>-0-</td> </tr> <tr> <td>Contractual</td> <td>800</td> </tr> <tr> <td>Commodities</td> <td>200</td> </tr> <tr> <td>Equipment</td> <td>2,000</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>36,548</td> </tr> </table>			Type of Expenditure	Amount	1	2	Salary	24,865	Benefits	8,683	Premium Pay		Other		Total Personal Services	33,548	Travel	-0-	Contractual	800	Commodities	200	Equipment	2,000	Other		Total Cost	36,548	This position would be needed to support the activities of the four (4) additional Grants Administrators required in FY 87, the four (4) new Grants Administrators needed in FY 88 and the three (3) new Grants Administrators needed in FY 89 (see attached related Requests for New Positions). The Administrative Assistant would assist in maintaining files, keeping grant balances current, advertising and documentation needed to meet procurement and contract requirements, and other general support staff functions					
Type of Expenditure	Amount																																	
1	2																																	
Salary	24,865																																	
Benefits	8,683																																	
Premium Pay																																		
Other																																		
Total Personal Services	33,548																																	
Travel	-0-																																	
Contractual	800																																	
Commodities	200																																	
Equipment	2,000																																	
Other																																		
Total Cost	36,548																																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>36.5</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	36.5		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other									
Receipt Code	Funding Source	Amount																																
	Federal Receipts 1002																																	
	G. F. Match 1003																																	
	General Funds 1004	36.5																																
	I-A Receipts 1005																																	
	Program Receipts 1028																																	
	CIP Receipts 1061																																	
	Other																																	
For B&M Use Only Key Number _____																																		

**Request For
New Position**

Agency Community & Regional Affairs
BRU Local Government Assistance
Component Grants Administration

Page 1 of 1
Revised Date _____

FY 87

Position Title Clerk Typist III - Beginning FY 87			No. of Positions 1	Range/Step 8/A	Barg. Unit GGU	Gov.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District	Leg.																											
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>19,573</td> </tr> <tr> <td>Benefits</td> <td>7,479</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>27,052</td> </tr> <tr> <td>Travel</td> <td>-0-</td> </tr> <tr> <td>Contractual</td> <td>700</td> </tr> <tr> <td>Commodities</td> <td>300</td> </tr> <tr> <td>Equipment</td> <td>2,000</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>30,052</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	2	Salary	19,573	Benefits	7,479	Premium Pay		Other		Total Personal Services	27,052	Travel	-0-	Contractual	700	Commodities	300	Equipment	2,000	Other		Total Cost	30,052	Justification This clerical position is needed to support the four (4) additional Grants Administrator positions required in FY 87 to provide increased oversight and monitoring of grants. This Clerk Typist position would type reports and correspondence, file, photocopy, and provide other clerical support to assist the Grants Administrators.				
Type of Expenditure	Amount																																
1	2																																
Salary	19,573																																
Benefits	7,479																																
Premium Pay																																	
Other																																	
Total Personal Services	27,052																																
Travel	-0-																																
Contractual	700																																
Commodities	300																																
Equipment	2,000																																
Other																																	
Total Cost	30,052																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>30.1</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source			Federal Receipts 1002			G. F. Match 1003			General Funds 1004	30.1		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other								
Receipt Code	Funding Source																																
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	30.1																															
	I-A Receipts 1005																																
	Program Receipts 1028																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

0317F/3

**Request For
New Position**

Agency Community and Regional Affairs
 BRU Local Government Assistance
 Component Grants Administration

Page 1 of 1
 Revised Date

FY 87

Position Title Grants Administrator			No. of Positions 1	Range/Step 17A	Barg. Unit GGU	Gov.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Anchorage		Election District		Leg.																										
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>34,740</td> </tr> <tr> <td>Benefits</td> <td>10,930</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>45,670</td> </tr> <tr> <td>Travel</td> <td>5,200</td> </tr> <tr> <td>Contractual</td> <td>5,900</td> </tr> <tr> <td>Commodities</td> <td>600</td> </tr> <tr> <td>Equipment</td> <td>700</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>58,070</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	2	Salary	34,740	Benefits	10,930	Premium Pay		Other		Total Personal Services	45,670	Travel	5,200	Contractual	5,900	Commodities	600	Equipment	700	Other		Total Cost	58,070	Justification Generally, Child Care grants are awarded to the same contractors yearly. Under CS SB 341, the Child Care monies would have to go out to bid, probably resulting in new contractors and new local administrators. Therefore, this position would need to provide training and technical assistance to the new recipients. An additional Grants Administrator is needed in order to process the increased amount of paperwork under CS SB 341.				
Type of Expenditure	Amount																																
1	2																																
Salary	34,740																																
Benefits	10,930																																
Premium Pay																																	
Other																																	
Total Personal Services	45,670																																
Travel	5,200																																
Contractual	5,900																																
Commodities	600																																
Equipment	700																																
Other																																	
Total Cost	58,070																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>58.1</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	58.1		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other								
Receipt Code	Funding Source	Amount																															
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	58.1																															
	I-A Receipts 1005																																
	Program Receipts 1028																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

**Request For
New Position**

Agency Community and Regional Affairs
 BRU Child Assistance
 Component Child Care

Page 1 of 1
 Revised Date _____

FY 87

Position Title Clerk Typist III			No. of Positions 1	Range/Step 8A	Barg. Unit CCU	Gov.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Anchorage, AK		Election District	Leg.																											
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>19,572</td> </tr> <tr> <td>Benefits</td> <td>7,045</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>26,617</td> </tr> <tr> <td>Travel</td> <td></td> </tr> <tr> <td>Contractual</td> <td>1,400</td> </tr> <tr> <td>Commodities</td> <td>600</td> </tr> <tr> <td>Equipment</td> <td>3,800</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>32,417</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	2	Salary	19,572	Benefits	7,045	Premium Pay		Other		Total Personal Services	26,617	Travel		Contractual	1,400	Commodities	600	Equipment	3,800	Other		Total Cost	32,417	Justification Under CS SB 341, all the professional staff in the Child Care program would experience an increased workload. This clerk typist would provide the additional clerical support needed to carry-out the program.				
Type of Expenditure	Amount																																
1	2																																
Salary	19,572																																
Benefits	7,045																																
Premium Pay																																	
Other																																	
Total Personal Services	26,617																																
Travel																																	
Contractual	1,400																																
Commodities	600																																
Equipment	3,800																																
Other																																	
Total Cost	32,417																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>32.4</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	32.4		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other								
Receipt Code	Funding Source	Amount																															
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	32.4																															
	I-A Receipts 1005																																
	Program Receipts 1028																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

**Request For
New Position**

Agency Community and Regional Affairs
 BRU Child Assistance
 Component Child Care

Page 1 of 1
 Revised Date _____

FY 87

Position Title Community Development Specialist I/II			No. of Positions I	Range/Step 16A	Barg. Unit 600	Gov.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Anchorage, AK		Election District	Leg.																											
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>32,424</td> </tr> <tr> <td>Benefits</td> <td>10,403</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>42,827</td> </tr> <tr> <td>Travel</td> <td>8,200</td> </tr> <tr> <td>Contractual</td> <td>2,400</td> </tr> <tr> <td>Commodities</td> <td>500</td> </tr> <tr> <td>Equipment</td> <td>500</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>54,427</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	3	Salary	32,424	Benefits	10,403	Premium Pay		Other		Total Personal Services	42,827	Travel	8,200	Contractual	2,400	Commodities	500	Equipment	500	Other		Total Cost	54,427	Justification Currently, no administrative dollars are associated with this program. CS SB 341 would impose additional regulations that would need to be addressed by a staff member. Presently the program is being administered by a number of different people who spend a portion of their time on this program and are basically funded by other sources. This was an emergency type response to the exclusion by the Legislature of administrative dollars for this program. If the administration of this program continued to function in this manner, we would be unable to implement the requirements set forth in CS SB 341 in a timely manner. This new position would centrally locate the administration of this program and would be responsible for the requirements that would be placed on this program as a result of CS SB 341. Presently the program is handled like "pass through" grants. CS SB 341 would require this program to be handled as professional services contracts.				
Type of Expenditure	Amount																																
1	3																																
Salary	32,424																																
Benefits	10,403																																
Premium Pay																																	
Other																																	
Total Personal Services	42,827																																
Travel	8,200																																
Contractual	2,400																																
Commodities	500																																
Equipment	500																																
Other																																	
Total Cost	54,427																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>54.4</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	54.4		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other								
Receipt Code	Funding Source	Amount																															
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	54.4																															
	I-A Receipts 1005																																
	Program Receipts 1028																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

**Request For
New Position**

Agency Community & Regional Affairs
BRU Job Training Partnership Act
Component Displaced Homemakers

FY 87

Page 1 of 1
Revised Date

Position Title Administrative Officer I			No. of Positions 1	Range/Step 1/A	Barg. Unit GGU	Gov.	Approv.	Disapp.																									
Time Status PFT	Staff Months 12	RP Number	Location Juneau		Election District	Leg.																											
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>Amount</th> </tr> <tr> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>34,740</td> </tr> <tr> <td>Benefits</td> <td>10,930</td> </tr> <tr> <td>Premium Pay</td> <td></td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td>45,670</td> </tr> <tr> <td>Travel</td> <td></td> </tr> <tr> <td>Contractual</td> <td></td> </tr> <tr> <td>Commodities</td> <td>500</td> </tr> <tr> <td>Equipment</td> <td>1,500</td> </tr> <tr> <td>Other</td> <td></td> </tr> <tr> <td>Total Cost</td> <td>47,670</td> </tr> </tbody> </table>			Type of Expenditure	Amount	1	2	Salary	34,740	Benefits	10,930	Premium Pay		Other		Total Personal Services	45,670	Travel		Contractual		Commodities	500	Equipment	1,500	Other		Total Cost	47,670	Justification The requested Administrative Officer I position is needed to provide an independent review of procurement documents in order to provide some measure of quality control within the Department. In addition, the Administrative Officer would be available to provide technical assistance to departmental staff to assure conformance with CS SB 341.				
Type of Expenditure	Amount																																
1	2																																
Salary	34,740																																
Benefits	10,930																																
Premium Pay																																	
Other																																	
Total Personal Services	45,670																																
Travel																																	
Contractual																																	
Commodities	500																																
Equipment	1,500																																
Other																																	
Total Cost	47,670																																
<table border="1"> <thead> <tr> <th>Receipt Code</th> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Federal Receipts 1002</td> <td></td> </tr> <tr> <td></td> <td>G. F. Match 1003</td> <td></td> </tr> <tr> <td></td> <td>General Funds 1004</td> <td>47.7</td> </tr> <tr> <td></td> <td>I-A Receipts 1005</td> <td></td> </tr> <tr> <td></td> <td>Program Receipts 1028</td> <td></td> </tr> <tr> <td></td> <td>CIP Receipts 1061</td> <td></td> </tr> <tr> <td></td> <td>Other</td> <td></td> </tr> </tbody> </table>			Receipt Code	Funding Source	Amount		Federal Receipts 1002			G. F. Match 1003			General Funds 1004	47.7		I-A Receipts 1005			Program Receipts 1028			CIP Receipts 1061			Other								
Receipt Code	Funding Source	Amount																															
	Federal Receipts 1002																																
	G. F. Match 1003																																
	General Funds 1004	47.7																															
	I-A Receipts 1005																																
	Program Receipts 1028																																
	CIP Receipts 1061																																
	Other																																
For B&M Use Only Key Number _____																																	

**Request For
New Position**

Agency Community and Regional Affairs
BRU Administration and Support
Component Administrative Services

Page 1 of 1
Revised Date

FY 87

RECEIVED MAR 24 1986



The Honorable Jan Faiks
Senator
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Re: SB 341

Dear Senator Faiks:

The Senate Finance Committee is scheduled to discuss SB 341, the Procurement Bill, on Tuesday, March 25, 1986. The Alaska State Housing Authority (ASHA), as the conduit for the receipt of federal assistance for low-income and senior housing, seeks specific exemption from SB 341 on all federally-assisted operations. ASHA is comprehensively regulated by the U.S. Department of Housing and Urban Development in its housing programs. The bill, as proposed, will substantially impact the Alaska State Housing Authority (ASHA) in the following areas:

1. Increase the duration of vacancies between tenant occupancy to insure new State procedures are being followed;
2. Create a corresponding increase in waiting lists for public housing, as tenants will not be moved into vacated units as rapidly as they now are;
3. Reduce federal funds to ASHA based on intricate funding formulas that consider vacant unit turnover and occupancy levels;
4. Require increased personnel in management, maintenance and accounting for which the federal government will not pay;
5. Jeopardize ASHA's status as a "public housing authority" for continued receipt of federal funds at a time of federal cutbacks. These funds will revert to Seattle, Portland or San Francisco rather than stay in Alaska.

A convoluted system of double regulation under which ASHA follows both federal and state regulations when they are not explicitly inconsistent, and either state or federal regulation on a case-by-case basis when there is inconsistency, creates a scenario only a



lawyer could love. Section 10 of the bill in its references to AS 18.55.100 and 18.55.110 and the proposed 36.30.890 will create such a scenario. ASHA requests your consideration of a specific exemption for ASHA.

Attached are copies of three letters received by ASHA from Michael Kulick, Manager, Anchorage Office of the U.S. Department of Housing and Urban Development, registering HUD's concerns with regard to ASHA's inclusion in SB 341. These were included in the materials previously submitted to the Senate Judiciary Committee in support of an exemption for ASHA.

Since testifying before the Senate Judiciary Committee, we have prepared a fiscal note, which assumes full delegation to the Alaska State Housing Authority, as provided in the legislation. Federal funds to implement this legislation are not and will not be available, leaving a cost to the State General Fund as described in the fiscal note.

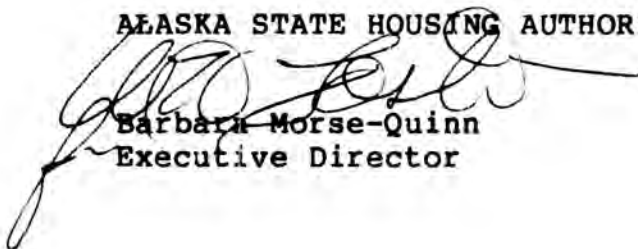
Also enclosed is a section analysis and narrative outlining ASHA's reasons for requesting an exemption. ASHA's concerns are that this legislation is in part duplicative, contradictory and unnecessarily burdensome for ASHA because of ASHA's relationship to the U.S. Department of Housing and Urban Development. Under SB 341, the procurement code will be applied to this housing authority, while all other housing authorities in the state are being exempted. No tenant, vendor or contractor will note benefits or receive increased services from this agency's application of this law. In fact, the agency's purpose will be descoped, muddled, made controversial, and its activities will cost significantly more to administer.

In a time of both federal and state monetary restraint, we advocate for available funds to go for housing, not administration.

On behalf of all our tenants and supporters of public housing, thank you for your consideration of our remarks.

Sincerely,

ALASKA STATE HOUSING AUTHORITY


Barbara Morse-Quinn
Executive Director

BMQ/sms

Enclosures



U.S. Department of Housing and Urban Development

Anchorage Office, Region X
701 "C" Street, Box 64
Anchorage, Alaska 99513

EIVED
ASHA

JAN 17 1986

JAN 24 '86

Barbara Morse-Quinn, Executive Director
Alaska State Housing Authority
Post Office Box 100080
Anchorage, Alaska 99510-0080

EX cc
DEX cc
Eq. Dept
EX Sec
Board

Dear Ms. Morse-Quinn:

Subject: Relationship of Alaska State Housing Authority
and the U. S. Department of Housing and Urban Development

This is in response to your letter dated January 17, 1986, requesting our comments on the relationship of Alaska State Housing Authority (ASHA) and U. S. Department of Housing and Urban Development (HUD).

The relationship is a contractual one which is defined by the terms of the Annual Contributions Contract. Under that document a public housing authority (PHA) is provided federal funds for the specific purpose of providing and operating housing for families of lower income. The funding is designated for specific projects and may only be used in accordance with the HUD-approved development program, contract terms, and HUD regulations and policies. Should the funding approved by HUD for a particular project not be made available to the PHA, it would be necessary for the federal government to provide additional funding in order for HUD to meet its contractual responsibilities to the PHA. For this reason, HUD cannot approve any arrangement whereby the PHA does not have total access to and control of, the funds supplied by HUD. As a small example of this, HUD requires the PHA to invest the funds provided in order to earn interest. The amount of funding provided has been calculated on the basis that a certain amount of interest will have been received by the PHA. Any attempt to make HUD funds provided to ASHA restricted as to access or control or subject to legislative approval would be strongly opposed by HUD. In this regard, I have been advised by our Headquarters' office that the Department has already taken such a position with another state when it recently advised the governor of that state that remedial legislation must be enacted to eliminate legislative control over HUD funds.

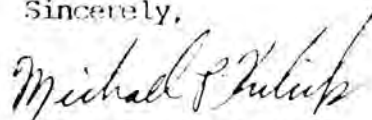
I am not in a position to discuss how HUD's legislation compares with that of other federal agencies. It is my impression, however, that HUD may have more authority, than other agencies, to become directly responsible

for the activities usually undertaken by a state agency using federal funds. For example, the default provisions of the statute and Annual Contributions Contract provide that title and/or possession be given to the Secretary, at the Secretary's discretion, should the PHA fail to observe the terms of the contract. In any case, HUD funds are specifically designated for an identifiable project to be developed or managed by a named PHA and are not considered generalized housing funds earmarked particular to be used in a state.

For additional comments, I refer you to the Regional Counsel's letter dated October 17, 1985, which speaks to the relationship between ASHA and HUD. Finally, we do believe the Attorney General's Opinion of June 9, 1983, interpreting AS 18.55.110 may have direct relevance to the issues you raised.

I hope this is of some assistance to you. Please keep us fully informed of your discussions on this matter and feel free to contact Susan Olsen, Chief Counsel, at 271-4683 for additional comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael P. Kulick".

Michael P. Kulick
Manager



U.S. Department Housing and Urban Development

Anchorage Office, Region X
701 "C" Street, Box 64
Anchorage, Alaska 99513

JAN 14 1986

Barbara Morse-Quinn, Executive Director
Alaska State Housing Authority
Post Office Box 100080
Anchorage, Alaska 99510-0080

Dear Ms. Morse-Quinn:

Subject: Senate Bill 8001
Proposed State Procurement Act

In response to your inquiry of December 13, 1985, we have reviewed the above-referenced bill from the perspective of its impact on Alaska State Housing Authority (ASHA) and U. S. Department of Housing and Urban Development (HUD) programs and operations. We find that, overall, as written, it may be viewed as burdensome and restrictive from a practical standpoint, and as undesirable to HUD in terms of foreseeable increased costs, time delays, and lack of adequate protections for federally-funded housing projects. We do not find the proposed act to be of particular value to either ASHA or HUD, inasmuch as we firmly believe that there are adequate and appropriate safeguards currently in place to meet any concerns the state may have with regard to fairness, economy, and control. This is accomplished by way of ASHA regulations and HUD's regulations and policies, and the requirements of the Annual Contributions Contract between HUD and ASHA.

While it is difficult to analyze the full impact, on an agency or federally-funded program, of a law for which regulations have not yet been written, we offer the following comments on the bill, along with responses to your comments to Senator Faiks.

As to the delegability of professional services authority, as well as the authority to procure supplies and other services (as referenced in your first two pages of comments), we think that the only logical interpretation of AS 36.30.015(b) is that such authority is delegable. However, there is no requirement that the authority be delegated, and, clearly, the adoption of regulations is not delegable, nor is there any requirement that the individual departments or agencies participate in the formulation of the regulations. While ASHA presently has the power under AS 18.55.100 to adopt its own regulations, the proposed legislation would apparently remove this power,

RECEIVED
ASHA

JAN 12 '86

EX-100
Bms
DEF
All Dept
EX Sec
H-3 ext
Board

and we see this as a significant deficiency of the law from a practical and policy standpoint. We think that any applicable regulations should be written in accordance with HUD requirements. Additionally, as you are aware, HUD is particularly concerned with contracting for construction and has developed extensive "boiler-plate" provisions which are required to be utilized in any such contracts. We see great possibilities for conflict should the authority not be delegated to ASHA and should the regulations not comport with HUD's requirements.

We agree that most matters covered in your numbered paragraphs (2) and (3) are covered by HUD regulations, procedures, or other requirements which variously are less, or more, restrictive than that proposed by the state bill. This is true, of course, about most of the sections of the legislation. In HUD's view, a few of the areas which would raise immediate and strong conflict are: Section 36.30.080, which could involve the administration of federal funds for lease purposes through the state treasury; Section 36.30.170, which provides for an Alaska bidder preference; Section 36.30.270, which requires the approval of the Department of Law to alter any contract terms, rather than HUD's counsel; and Section 36.30.015, which requires the attorney general's approval of any contract for legal services. As an additional note, it appears that use of the consolidated supply program would be seriously curtailed or delayed in that already selected competitive bid suppliers would have to resubmit to the state's competitive bid process.

The extensive bid documentation required in Section 36.30.110, as discussed in your paragraph (5), does appear to be cumbersome and bound to cause delays. Further, we think the requirements for Alaska business licenses, as applied to subcontractors in supply contracts, is unduly restrictive and burdensome. HUD policy expects procurement procedures to be as broad and competitive as possible. As mentioned earlier, the provision for Alaska bidder preference is totally unacceptable for federally-funded ASHA projects. This raises questions also about the acceptability of Section 36.30.050, which requires every agency's use of a centrally maintained list of contractors.

Regarding your paragraph (6), HUD requires acceptable bid security of five percent. We would undoubtedly find that the ten percent requirement would be unacceptably excessive and would not be willing to approve these extra costs to a project.

Section 36.30.200(b), as referenced in your paragraph (8), appears to be unduly burdensome in that written determinations must be obtained from the chief procurement officer or the commissioner of transportation and public facilities prior to ASHA's ability to enter a contract by other means than a competitive bid (except where emergency or small procurement standards are met). Under the proposed legislation, authority for these determinations is not delegable.