

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6641 SENATE STATE AFFAIRS

1085

APPENDIX

<u>Department/Firm</u>	<u>Contract Amount</u>	<u>Type of Solicitation</u>	<u>Contracted Service</u>	<u>Agency justification for using outside vendor</u>	<u>Agency justification for restricting solicitation</u>
<u>Office of the Governor</u>					
Richard L. Walker	50,000	Sole Source	Foreign Affairs Advisor	Sole source located outside of Alaska.	Unequaled skills, experience in furthering Alaskan business, trade, & government interests in the Pacific Rim. Also, Walker has Governor's personal trust and confidence.
The Michie Co.	80,000	CSP	Printing the AK Administrative Code.	Cost advantages. Firm evaluated the highest.	Solicitation not limited.
Kurt Wulff	35,000	Sole Source	Advisor on Oil Industry Issues	Sole source located outside of Alaska.	Industry leader, also has Governor's personal trust and confidence.
O'Connor & Hannon	55,000	CSP	Lobbyist for Div. of State & Federal Relations	Contract for lobbying activities in Wash. D.C.	Solicitation not limited.
Kazunaga Hayashi	113,879	Sole Source	Foreign National	Sole source located outside of Alaska.	Very knowledgeable in AK and host country. Has already served as AK State Rep.
Mariko Kuroda	46,917	Sole Source	Foreign National	Sole source located outside of Alaska.	Worked in AK office 7 years.
Kimiko Muguruma	41,352	Sole Source	Foreign National	Sole source located outside of Alaska.	Worked in AK office 7 years.
Kyung Sun Yang	50,000	Sole Source	Foreign National	Sole source located outside of Alaska.	Unique qualifications.
In Hye Kim	12,715	Sole Source	Foreign National	Sole source located outside of Alaska.	Worked in AK office 2 years.
Richard L. Walker	80,000	Sole Source	Foreign Affairs Advisor	Sole source located outside of Alaska.	See Walker contract above. Same justification given.
Dong Ha Cho	20,000	Sole Source	Korean Affairs Advisor	Sole source located outside of Alaska.	Expertise in AK and host country relations. Clout in Korean government.
<u>Department of Administration</u>					
Housing Mgt Specialist	42,600	CSP	Consultant for Pioneer Benefit	Firm evaluated the highest.	Solicitation not limited.

STATE OF ALASKA

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DIVISION OF LEGISLATIVE AUDIT

<u>Department/Firm</u>	<u>Contract Amount</u>	<u>Type of Solicitation</u>	<u>Contracted Service</u>	<u>Agency justification for using outside vendor</u>	<u>Agency justification for restricting solicitation</u>
<u>Department of Administration (cont.)</u>					
Information Tech Group	14,790	CSP	Consultant to write RFP for the Combined Retirement System	Firm evaluated the highest.	Solicitation not limited.
Justex Systems	131,800	CSP	Test Development	Firm evaluated the highest.	Solicitation not limited.
McCarthy & Assoc.	25,000	Sole Source	Risk Management Consultant	Sole source located outside of Alaska.	Extension of previous contract.
Mercer-Meidinger	34,400	CSP	Actuarial	Firm evaluated the highest.	Solicitation not limited.
Mercer-Meidinger	105,000	CSP	Actuarial	Firm evaluated the highest.	Solicitation not limited.
Mercer-Meidinger	152,000	CSP	Actuarial	Firm evaluated the highest.	Solicitation not limited.
Nat'l Institute of Gov. Purchasing	24,900	Sole Source	Procurement Training	Sole source located outside of Alaska.	Firm has prior experience with training AK state employees.
Software AG	59,200	CSP	Data Processing Training	Firm evaluated the highest.	Solicitation not limited.
<u>Department of Law</u>					
Bogle & Gates	50,000	Sole Source	Attorney for case filed in bankruptcy court	Law suit filed in an out-of-state jurisdiction.	Firm was originally hired by the state's co-defendant and has been working with them since June 1987. As such, they have acquired considerable knowledge in this matter & are in the best position to represent the interest of the co-defendant & state.
Morrison & Foerster	85,000	Emergency	Tax Attorney	Source located outside of Alaska.	Emergency purchase originally for \$50,000. Considered an emergency purchase due to confidentiality of tax matter. Formal solicitation not used because of confidentiality & advice needed prior to filing deadline, formal procurement time-consuming.

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<u>Department of Law (cont.)</u>					
Hopkins, Sutter, et al.	15,000	Small Purchase	Attorney for Public Broadcast Issues	No AK firms were contacted.	Solicitation not limited.
<u>Department of Revenue</u>					
ADS Assoc. Inc.	20,200	Sole Source	Software Design	Sole source located outside of Alaska.	Expansion of existing system. ADS holds copyright to system along with ownership rights to the software codes.
First Pennsylvania Bank	360,000	CSP	Custody and safekeeping of treasury investments	No AK firms responded.	Solicitation not limited.
Financial Collection Agencies	150,000	CSP	Collection Agency to pursue monies owed by non-residents	Firm evaluated the highest.	Solicitation not limited.
SEI Corp.	38,400	CSP	Investment Management Consultant	No AK firms responded.	Solicitation not limited.
State Street Bank & Trust	3,000,000	Limited	Investment firm for PERS & TRS funds	No AK firms responded.	Solicitation not limited.
<u>Department of Education</u>					
Howatt, Krahn, & Todd	5,800	Small Purchase	Historical Preservation	No AK firms responded.	Solicitation not limited.
Library Info Systems	6,000	Sole Source	Software Design	Sole source located outside of Alaska.	Library Info Systems, (LIS) was awarded a contract in 1986 for installation of Phase II of the automated system which was approved by IRMEAC. This request is for enhancements & additions to the existing system. LIS has the copyright on the software and is the only vendor authorized by copyright law to change the software.

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<u>Department of Health and Social Services</u>					
Professional Review Org. for Washington	211,000	CSP	Review of the Medicare program	No AK firms submitted proposals.	Solicitation not limited.
Myers & Stauffer	77,450	CSP	Consultant for Pharmacy Program	No AK firms submitted proposals.	Solicitation not limited.
The Orkand Corp.	75,000	Emergency	Pharmacy Program Design	No AK firms submitted proposals.	Services originally solicited under RFP. Failed to receive a responsive/affordable bid. Inadequate time to resolicit. Services are required within 3 months.
Banerjee Assoc.	24,971	CSP	Cost study of residential care	Firm evaluated the highest.	Solicitation not limited.
N.W. Resource Assoc.	18,100	Sole Source	Adoption Exchange	Sole source located outside of Alaska.	Only adoption exchange agency in the Northwest region.
Institute for Human Svc.	220,000	Sole Source	Consultant to maximize federal revenues	Sole source located outside of Alaska.	Second phase of a 3-phase project. Contractor performed phase 1.
Susan Shacklett	24,350	Small Purchase	Software Design	No AK firms submitted proposals.	Solicitation not restricted.
Paul J. Carling, M.D.	8,054	Small Purchase	AK Housing Symposium Seminar	No AK firms submitted proposals.	Solicitation not restricted.
D. Mandt & Assoc.	10,250	Emergency	Client Management Training	No providers in AK.	H&SS was unsuccessful in finding 3 providers to perform services. Two were located. The other provider proved to be more costly.
Mary K. Benson	20,000	Sole Source	Consultant to analyze medicaid rate setting	Sole source located outside of Alaska.	Benson only person who meets the specialized requirements set by H&SS. No one in the department or in the private sector possesses the combined rate setting and federal and state programmatic expertise to complete project.

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<u>Department of Labor</u>					
Pansophic Systems, Inc.	8,000	Sole Source	Data Processing Training	Sole source located outside of Alaska.	Company designed software in use. Since firm developed software they are in a unique position to provide quality training.
Runzheimer and Company	54,500	Sole Source	Data Analysis for cost of living index	Sole source located outside of Alaska.	Requested sole source because Runzheimer could provide more comprehensive geographic data specific to needs. Only one who would provide expert testimony in court.
<u>Department of Commerce and Economic Development</u>					
Kojiro Abe, Japan	390,000	Sole Source	Office Staff for Asian office	Sole source located outside of Alaska.	Individual has served as representative in Asia since 1982. Few individuals possess qualities sought. Training orientation of new firm would be costly & time-consuming.
Rathe Pty. Ltd	272,400	Sole Source	Expo 88 Consultant	Sole source located outside of Alaska.	Important that the same consulting team that is working on the marketing strategy for meeting the exhibits' goals should also be charged with developing the measurement strategy. State will save since it won't have to pay for the learning curve.
The Travel Industry Assoc.	17,000	Sole Source	Tourism Promotion with Yukon Government	Sole source located outside of Alaska.	Contract represents the continuation of a joint marketing effort between AK and the Yukon government. The specific service is available only from Travel Industry.
AKA Business Services	600,000	CSP	Printing of tourism promotions	Firm ranked the highest. Contractor will subcontract majority of the work to an Alaskan firm.	Solicitation not limited.

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<u>Department of Commerce and Economic Development (cont.)</u>					
Milliman & Robertson	30,000	Emergency	Actuarial Analysis	Emergency source for work outside of Alaska.	Recognized expert in workers' compensation issues. Immediate actuarial evaluation & expert recommendations were needed due to planned fast passage of legislation.
Plants, Sites, and Parks	20,000	CSP	Advertising	No in-state firms were contacted. Dept. wanted out-of-state publication.	Solicitation not limited.
Nat'l Council of Architect	9,000	Emergency	Examinations	Contracts for national examinations. Only source for examination.	Solicitation restricted since some exams are required to be used. Exams were developed. Time to request a CSP would not allow yearly exams for some occupations.
Nat'l Council of Engineer	10,000	Emergency	Examinations		
Nat'l Assessment Institute	6,000	Emergency	Examinations		
Lubow, McKay et al.	70,000	Sole Source	Auditors for APUC	Firm evaluated the highest.	Work expanded beyond original contract specifications.
Ben Johnson	280,000	CSP	Consultant for APUC	Firm evaluated the highest.	Solicitation not limited.
Pannell, Kerr, Forster	99,999	Limited	Feasibility Analysis for AIDEA	Limited solicitation to two firms. Both out of state.	Two nationally recognized accounting firms with extensive credentials in resort feasibility analysis. Limited to these firms.
<u>Department of Military and Veterans Affairs</u>					
No outside contracts reported.					
<u>Department of Natural Resources</u>					
Sno Engineering	18,500	CSP	Ski Area Development	Necessary expertise did not exist in AK to do development planning.	Solicitation not limited.
Barry Thompson	80,000	CSP	Real Estate Appraisal	Firm evaluated the highest.	Solicitation not limited

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<u>Department of Fish and Game</u>					
Sport'en Art	Revenue Contract	CSP	Commercial Art	No AK firms responded.	Solicitation not limited.
Dr. Richard Thorne	15,000	Sole Source	Fisheries Research	Sole source located outside of Alaska.	Has provided service since 1982. Familiarity with equipment. Politically beneficial due to independence of firm.
Jones & Stokes	237,725	CSP	Fisheries Study	Firm evaluated the highest.	Solicitation not limited.
Pacific Marine Fisheries	6,000	Sole Source	Isozyme Analysis	Sole source located outside of Alaska.	Firm only one qualified. No one else doing this kind of work.
<u>Department of Public Safety</u>					
SEARCH Group, Inc.	171,000	Sole Source	Contract Support	No AK vendors submitted proposals.	Initially not limited. Only SEARCH submitted proposal. Alternative procurement approved to award contract.
<u>Department of Environmental Conservation</u>					
NEA, Inc	8,500	CSP	Air Analysis	No AK vendors submitted proposals.	Solicitation not limited.
Jellinek, Schwartz, Connolly	24,500	CSP	Environmental Lobbyist	No AK vendors submitted proposals.	Solicitation not limited.
<u>Department of Community and Regional Affairs</u>					
No outside contracts reported.					
<u>Department of Corrections</u>					
Loche Systems, Inc.	16,800	Sole Source	Software	Sole source located outside of Alaska.	System has been specifically customized for Correction's use and can only be serviced by Loche Systems.
Loche Systems, Inc.	38,250	Sole Source	Design		

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<u>Department of Corrections</u>					
Design Systems, Inc.	9,280	Emergency	Prison Security Specialist	Emergency source outside Alaska.	Contractor was initially involved on the Spring Creek transition team in 1986. Continued expertise and services of this particular prison security specialist.
Law Enforce. Psychol. Svc.	8,000	Sole Source	Psychological Testing	Sole source located outside of Alaska.	Department has previously worked with firm.
Mt. Canine Training	48,000	Sole Source	4 dogs & Training	No AK firms can provide service.	Department contacted other state departments and the National Institute of Corrections. Contacts stated that this was only firm that could provide training & dogs.
<u>Department of Transportation and Public Facilities</u>					
<u>Alaska Marine Highways</u>					
Coriphen Enterprises	13,000	CSP	Terminal operations	Evaluated the highest.	Solicitation not limited.
Glosten & Assoc.	101,652	CSP	Naval Engineer	There are no Naval Engineers in AK.	Solicitation not limited.
Glosten & Assoc.	326,600	CSP	Naval Engineer	No AK firms submitted proposals.	Solicitation not limited.
Elliott Bay Design Group	165,015	CSP	Naval Engineer	No AK firms submitted proposals.	Solicitation not limited.
<u>Southeast Region</u>					
Donald G. Montgomery	9,000	Small Purchase	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Jack Rutherford R.M.	500	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Jack Rutherford R.M.	15,000	Small Purchase	Appraisals Real Estate	No AK firms submitted informal proposals.	Solicitation not limited.
R.W. Beck & Assoc.	164,857	CSP	Engineer for Snettisham Hatchery Project	Evaluated the highest.	Solicitation not limited.

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<u>Department of Transportation and Public Facilities (cont.)</u>					
R.W. Beck & Assoc.	6,659	CSP	Engineer for N Tongass Project	Evaluated the highest.	Solicitation not limited.
Reynolds Appraisal	9,900	Small Purchase	Appraisals Real Estate	No AK firms submitted proposals.	Solicitation not limited.
<u>Anchorage Internat'l Airport</u> David A. Hall Assoc.	37,500	CSP	Marketing Consultant	Evaluated the highest.	Solicitation not limited.
David A. Hall Assoc.	5,000	Small Purchase	Marketing Consultant	No AK firms submitted proposals.	Solicitation not limited.
Peat, Marwick, & Main	176,050	CSP	Consultant for Terminal Plan	Evaluated the highest.	Solicitation not limited.
Peat, Marwick, & Main	25,000	Small Purchase	Consultant for Concessions Contract	No AK firms submitted proposals.	Solicitation not limited.
<u>Northern Region</u> Gary Hoagland	35,750	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Gary Hoagland	81,575	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Jack Rutherford, R.M.	10,000	Small Purchase	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Jack Rutherford, R.M.	83,010	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Jack Rutherford, R.M.	22,950	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Donald Palmer, Appraiser	17,700	CSP	Appraisals Real Estate	Evaluated the highest.	Solicitation not limited.
Texas A&M University	8,470	Sole Source	Training in Paving Methods	Expert in training.	Solicited through a memorandum of agreement.
<u>Alaska State Legislature</u>					
No outside contracts reported.					

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<u>University of Alaska</u>					
Abisko Naturvetenskapliga	7,500	Sole Source	Tree Line Research	Sole source located outside of Alaska.	Only individual providing service.
Abisko Naturvetenskapliga	7,286	Sole Source	Tree Line Research	Sole source located outside of Alaska.	Only individual providing service.
Int'l Trade Research	15,000	Sole Source	Timber Market Research	Sole source located out-of Alaska.	Chinese government controls all research in country.
Forestry Research Institute	5,000	Sole Source	Forestry Research	Sole source located out-of Alaska.	Authority in field.
K.K. Seo. Consultant	24,375	Sole Source	Consultant Fisheries Information	Sole source located out-of Alaska.	Highly qualified and agreed to perform services at reduced cost.
Walks of Nation	9,000	Sole Source	Consultant for planning AK Native Development Program	Sole source located outside of Alaska.	Continuation of services.
Hope	5,625	Sole Source	Speaker for Workshop	Sole source located outside of Alaska.	Featured speaker for seminar.
Institute for Counsel & Training	9,388	Sole Source	Speaker for Workshop	Sole source located outside of Alaska.	Featured speaker for seminar.
Resource Development, Inc	9,700	Sole Source	Training in estate planning	Sole source located outside of Alaska.	University regulations allow for limited competition under \$10,000.
Trinity Consultants, Inc.	14,750	Sole Source	Dispersion Modeling	Sole source located outside of Alaska.	Firm specifically listed in combined proposal as part of a expert team.
L. Diane Bernard	15,000	Sole Source	Consultant to initiate a masters program in social work	Sole source located outside of Alaska.	Unequaled experience in developing social work curriculum.
David Born	5,000	Sole Source	Consultant to develop program evaluation plans for children's services	Sole source located outside of Alaska.	Expert in children's services.

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<u>University of Alaska (cont.)</u>					
James E. McMahon, PHD.	13,900	Small Purchase	Energy Research	No AK firms submitted proposals.	Solicitation not limited.
Esherick, Hornsey, Dodge	672,200	CSP	Architect for University consolidation	Stayed with same firm who designed original building.	Cost advantages.
Ackley/Jensen, Inc.	6,000			Unable to locate file.	
Ballard & Co.	10,000	Small Purchase	Risk Management Consultant	Evaluated the highest.	Solicitation not limited.
Coopers & Lybrand	6,000	Sole Source	Actuarial Services	Sole source located outside of Alaska.	Firm has previously provided services and has established data base.
Canter & Assoc.	6,500	Sole Source	Instructor for course	Sole source located outside of Alaska.	University regulations allow for limited competition under \$10,000.
Government Finance	10,000	CSP	Financial Consultant	Evaluated the highest.	Firm originally contracted with the Dept. of Revenue. Services being performed under an agreement with them.
Government Finance	10,286	CSP			
Enres Consultants	6,678	Sole Source	Consultant for setting up a management training workshop	Sole source located outside of Alaska.	Firm on campus for prior obligation. Cost advantages.
Pcat, Marwick, Main & Co.	45,000	Emergency	Data Processing Consultant	Most qualified.	Solicitation not limited.
Risk Ngmt. Society Pub.	7,000			Unable to locate file.	
<u>Alaska Railroad Corporation</u>					
Greg Maxwell & Assoc.	25,000	CSP	Auditor for annual audit	No AK firms submitted proposals.	Solicitation not limited.
Heller, Ehrman, White	60,000	Sole Source	Attorney for legal advice in land issues	Sole source located outside of Alaska.	Prior experience with the Railroad Corp.

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<u>Alaska Railroad Corporation</u>					
Preston, Thorgrimson, Ellis	8,500	Sole Source	Attorney for legal advice in antitrust and regulations.	Sole source located outside of Alaska.	Prior experience with the Railroad Corp.
<u>Alaska Power Authority</u>					
P.E. Sperry	45,000	Limited	Consultant for Bradley Lake Hydro Project	Source located outside of Alaska.	Solicitation not limited to one source. Four consultants were appointed to board.
R.W. Beck & Assoc.	22,497	CSP	Consulting Engineer	Evaluated the highest.	Solicitation not limited.
<u>Alaska State Building Authority</u>					
No outside contracts reported.					

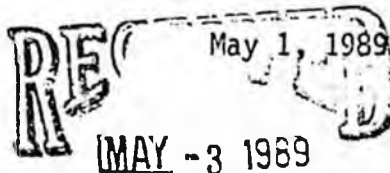
# STATE OF ALASKA

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

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Mr. Randy S. Welker  
Legislative Auditor  
Division of Legislative Audit  
Legislative Affairs Agency  
P.O. Box W  
Juneau, AK 99811-3300

LEGISLATIVE  
AUDIT

Dear Mr. Welker:

Re: Audit 02-4323-89-S

I am responding to the recommendations provided in Audit 02-4323-89-S applicable to the Department of Administration.

### Recommendation 1

At the time of your original interviews, we had an incomplete understanding regarding the types of contracts being issued to foreign nationals for work in other countries. That situation has changed. We agree that there are and have been difficulties establishing the foreign contracts. We will hold a meeting with the Division of General Services and Supply, Division of Personnel, and those agencies who contract with foreign nationals. If indeed a statutory change is required, we will propose it next year.

### Recommendation 2

- A. We disagree with some of your observations and hence your recommendations. We have not made an assumption that the normal procurement process would yield untrustworthy, untruthful, or unreliable contractors. Further we have not implied that only the Governor can make a sole source determination on specific contracts.

When we receive requests for approval of sole source contracts, we review available evidence as required by statute. Part of that evidence is the statement made by the requestor. Anybody requesting a sole source could provide a statement that the requirement for trust limits the selection of contractors. We have determined that only statements from the Governor will be considered as acceptable evidence that no other source will do. The Governor has a unique position in Alaska and as such has unique responsibilities and burdens. Therefore, necessary qualifications of parties to provide advisory services go beyond simple honesty, reliability, or expertise. When the Governor makes decisions that will

affect the State, he is entitled to advisors he trusts. We must disagree with your interpretation of the procurement code. It is apparent that the writers effectively identified three areas of procurement. Category (1). The first area covers those items which should be procured by one of the processes described in the procurement code. Category (2). The second area provides exceptions (sole source, limited competition, emergency). These exceptions are for supplies or services which would normally be procured under the procurement code processes but meet the requirements to be exceptions. Category (3). The third area (Alaska Statute (AS) 36.30.860(b)(1)-(17)) lists supplies and services the legislature has chosen to exclude from the application of the procurement code. To address your example, the Department of Fish and Game contracts for over 200 flights a year under the exemption provided. These routine procurements are not covered by the procurement code. Your audit lists three contracts involving the Governor's trust and confidence. The service provided involves foreign trade and the oil industry. The routine way to procure information regarding foreign trade and the oil industry would be to utilize procurement code processes category (1). These have been procured as exceptions to those processes category (2). We see no reason to place them in category (3).

We disagree with your contention that our consideration of the Governor's requirement for trust as evidence constitutes a delegation. Each of the requests was reviewed. If we needed more information, we requested it. When we were satisfied, they were approved. The fact that the three contracts listed in your audit were approved should not be taken to indicate that every request would automatically be approved or that authority has effectively been delegated.

You appear to see a threat that some future Governor might be tempted to abuse the present process. It is possible. However, the opportunity for abuse is less in the present process which requires review and reporting. Placement in category (3) would remove all the procurements from the requirements of the procurement code.

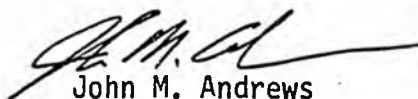
- B. We have received informal Attorney General's advice that the present delegation process is acceptable and reasonable. (The only delegations occur during absences when an acting CPO or commissioner is appointed. The person in the acting position then has the authority to make the determinations. When appointing persons to act as commissioner or CPO, we have selected people who would qualify for the position in the first place.)
- C. We have received informal advice from the Attorney General's office that approval of court appointments as sole sources is acceptable. It meets the requirements of the regulations (2 AAC 12.410) which requires an explanation why no other source is acceptable because the court has not appointed any other source.

We will ask the Attorney General's office to see if revised statutory language is appropriate for the above.

Recommendation No. 3

We plan on having the reports required by law. As you pointed out, the law requires reports beginning with December 1, 1989. In order to be ready for that date, we planned to run our first trial after January 1, 1989, in order to review a full year. At your request, we accelerated the process. We did not expect the first effort to be perfect and were developing controls at the time of your audit. Since provision of the report, we have implemented procedures to monitor procurement reporting.

Sincerely,

  
John M. Andrews  
Commissioner

JMA/RJL/cjk  
4/11D1/042408-9  
cc: Division of General Services and Supply  
Department of Administration



Brian Rogers  
Vice President for Finance  
(907) 474-7448

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May 1, 1989

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Randy S. Welker  
Legislative Auditor  
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LEGISLATIVE  
AUDIT

Dear Mr. Welker:

The University of Alaska has reviewed your preliminary audit report on: "A Special Report on Statewide Professional Service Contracts Awarded to Out-of-State Firms, January 1, 1988 through September 30, 1988."

The report makes two recommendations concerning the University of Alaska:

Recommendation No. 5

The University of Alaska should strengthen controls over the procurement of professional services. [The controls are necessary because individuals, who have not been delegated purchasing authority are obligating university funds without prior approval.]

The University of Alaska agrees with this recommendation and took action to strengthen controls immediately following the exit conference with the legislative auditor. Departments involved in unauthorized procurements are now trained by university deputy chief procurement officers. Procurement personnel work with the department to preplan requirements and advise departments to seek purchasing assistance when unforeseen needs arise. Should these steps fail to correct a pattern of unauthorized purchases, the chief procurement officer does not ratify further unauthorized purchases, and such purchases become the personal liability of the offender. Additionally, top management of the university will review on a quarterly basis the performance of all university departments to ensure that funds are obligated only by authorized personnel.

University of Alaska

Randy Welker  
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May 1, 1989

Recommendation No. 6

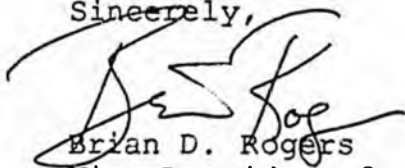
The University of Alaska should adhere to statutes governing sole source procurement. [We recommend that the university rescind delegations of authority by the chief procurement officer to other purchasing personnel to make determinations that only one source for a procurement exists.]

The University of Alaska agrees with this recommendation. Upon notification by the legislative auditor that university regulations were out of compliance with AS 36.30.005(c) on December 14, 1988, the chief procurement officer rescinded all delegations for sole source procurement.

The university is seeking corrective legislation which would allow the delegation of sole source determination for small purchases. Senate Bill #170, currently under consideration in the state House of Representatives, contains such a change. If adopted by the full legislature and signed by the Governor, university regulations would then be consistent with the law. If the law is not changed, the university will, through the administrative procedures act processes, amend our regulations.

Thank you for the opportunity to respond to the report.

Sincerely,



Brian D. Rogers  
Vice President for Finance

cc: Donald O'Dowd, President  
Barbara Joy, Director of Internal Audit  
Diane Mayer-Pearson, Acting Chief Procurement Officer

# ALASKA RAILROAD CORPORATION



P.O. Box 107500 • Anchorage, Alaska 99510-7500

April 25, 1989

Mr. Randy S. Welker  
Legislative Auditor  
Division of Legislative Audit  
P.O. Box W  
Juneau, Alaska 99811-3300

APR 28 1989

LEGISLATIVE  
AUDIT

Re: Preliminary Audit Report on Statewide Professional Service  
Contracts, Audit Control Number 02-4323-89-S

Dear Mr. Welker:

Thank you for the opportunity to respond to your preliminary audit  
report relating your findings about the Alaska Railroad Corporation  
(ARRC).

Legislative Audit Recommendation No. 4:

"The Alaska Railroad Corporation should amend their procurement  
procedures to include the 'Chief Procurement Officer' concept  
within their purchasing operations."

ARRC Response:

As you are aware, we have previously discussed the unique status  
of ARRC and why this uniqueness must be taken into account when  
comparing the railroad corporation to other executive agencies. We  
fully agree with your statement that the corporation must adopt  
procedures which are substantially equivalent to the procedures  
prescribed in the state procurement code. However, we strongly  
disagree with your findings that make it appear we are not  
substantially equivalent. Your concern that the apparent lack of  
a comparable Chief Procurement Officer (CPO) position at ARRC would  
render the substantial equivalency "highly questionable" is  
unfounded.

As you know, ARRC employees are not state employees and therefore,  
are employed under separate corporate personnel policies. All  
professional employees of the corporation are employed on an "at  
will" basis. The concept of the CPO which requires appointment to  
a fixed term of office and removal from that office only for cause  
is meaningless to the corporation. Additionally, the CPO is a  
position which is appointed by the Commissioner of Administration

and responsible for supervising and coordinating procurement for state agencies to insure proper accountability of public funds, and fairness and equality in purchasing decisions. ARRC does not receive any public funds and in fact, as you correctly pointed out, is not a state agency for the purposes of the procurement code.

However, ARRC is fully cognizant of its unique role as a quasi-private corporation and is particularly concerned with the image it projects. As a result, ARRC has established an approval process which is recognized and accepted in the business world and which meets the test of equivalency to the concept of the state CPO. All purchasing decisions are placed at the level where the actual need for the service or material exists. The request to procure such items is in strict accordance with the corporate Approval Authority Guide (attached) which establishes dollar limits within the organization for purposes of control. The actual process of obtaining bids, proposals, controlling the awarding of contracts and the final signatory responsibility rests within the Contracts Branch. Any request for an Alternative Procurement Method must be approved by the Contracts Branch and, in the event of a request for sole source procurement, only the Contracts Branch may approve a finding and determination of justification. Hence, the main concern of the legislation surrounding the concept of the CPO, that of accountability, control and objectivity, is met by the process currently in place at ARRC.

I must also take exception to your equating the Alaska Railroad Corporation's procurement methodology with that of the Alaska State Building Authority. With the exception of the Alaska Permanent Fund, there is no state agency, to my knowledge, which is charged with the specific mission of operating on a self-sustaining basis, for profit, and in as competitive an environment as the Alaska Railroad. Of necessity, our policies and procedures must be tailored differently.

We fully adopt your position that ARRC should seek legislative remedy. We appreciate the difficulty you find in trying to fit us into a mold which is cast separately from other executive branch agencies. To that end, amendments to the state procurement code have been introduced which would make more explicit the procurement methodology which ARRC can utilize.

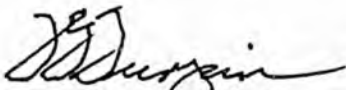
I have also attached a copy of a letter dated 15 December 1988 to your division which more fully explains ARRC's position on these matters. I believe this document should be part of the record which goes forth to the entire Legislative Budget and Audit Committee.

Legislative Audit No 02-4323-89-S  
April 25, 1989  
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In closing, I want to personally reiterate ARRC's total commitment to a fair, equitable and accountable procurement process. We cannot expect to survive and be successful in the business world unless we have the trust and respectability of not only our customers but also that of our suppliers.

Once again, thank you for your consideration of our response.

Sincerely,



F. G. Turpin  
President & Chief Executive Officer

cc: M. J. Yetter, Vice President, Finance, ARRC  
B. E. Carr, Manager, Financial Services, ARRC  
W. R. Hupprich, Senior Business Attorney, ARRC

att

# ALASKA RAILROAD CORPORATION



P.O. Box 7-2111 • Anchorage, Alaska 99510-7069

Anchorage, Alaska  
December 15, 1988

Ms. Connie Eidson-Smith  
Senior Auditor  
Division of Legislative Audit  
P.O. Box W  
Juneau, Alaska 99811-3300

Dear Ms. Smith:

Thank you for the opportunity to respond to your interim findings relating to your recent review of the Alaska Railroad Corporation (ARRC) procurement regulations and 3 professional service contracts. I understand this audit is part of a larger audit effort directed by the Budget and Audit Committee towards all quasi-public corporations in the executive branch.

In response to your recommendation that ARRC should adopt procedures substantially equivalent to the procedures prescribed in A.S. 36.30., please be advised that ARRC has already adopted such rules. Our legal department took the lead by writing the rules which were adopted by the ARRC Board of Directors on April 21, 1988. These are the same rules that you reviewed in your compliance audit. Your conclusion that our rules are not "substantially equivalent" to the State code appears to be based on your determination that our President & Chief Executive Officer is the "Chief Procurement Officer" (CPO) for the Corporation and that as a consequence, he must personally approve all Sole Source Contracts and he may not delegate this authority. Because ARRC rules allow a procurement officer to approve a sole source determination, you concluded that the entire body of procurement rules adopted by the ARRC board are not "substantially equivalent" to the procedures found in AS 36.30.

I believe that due to the short period of time given to audit the corporation, you did not have sufficient time to adequately consider all of the legal and factual circumstances surrounding the creation and continued operation of the corporation and how the same affect ARRC's procurement function. These circumstances include AS 42.40. (Alaska Railroad Corporation Act (ARCA)) and the procurement code itself which exempts the corporation from the rules applicable to other executive branch agencies. I will address each of these issues separately to give you a better understanding of the corporation's position.

1. The State Procurement Code governs the procurement procedures for state agencies and not the Alaska Railroad. The State Procurement Code was adopted by the legislature for the express purpose of centralizing, coordinating and regulating the procurement of supplies, services and professional services by state agencies. A review of the general scheme and actual provisions of the code confirms that the literal language of the code applies only to state agencies and not to quasi-government entities such as ARRC. See AS 36.30.990 where the term "agency" is defined to specifically exclude the Alaska Railroad Corporation.

ARRC's exemption from the literal provisions of the State Procurement Code evidences the legislature's recognition of ARRC's unique status. Pursuant to AS 42.40.010, ARRC is a state instrumentality which has a legal existence independent and separate from the state and, pursuant to AS 42.40.100(8), ARRC's procurement procedures are required to be in accordance with accepted Railroad Industry Standards.

ARRC is the only public corporation in the State of Alaska which is subject to a legislative mandate to be operated as a private, self-sufficient, for-profit corporation. I might also point out that our funds are generated from private sector resources and are not public funds as stated in your letter.

Because of ARRC's unique status, and the fact that ARRC does not receive any state appropriations, ARRC's procurement function must be viewed in the light of its overall mission and not by any specific State statutes or regulations that pertain to state agencies. Consequently, the "substantially equivalent" requirement which you have cited from AS 36.30.015(e) must be interpreted in conjunction with the requirements of the Alaska Railroad Corporation Act (ARCA) and the federal Alaska Railroad Transfer Act (ARTA), 45 USC 1201 et seq. When the "substantially equivalent" provision is analyzed in this context, it becomes clear that many of the provisions of the state procurement code simply do not apply to ARRC.

Your statement that ARRC's CEO has been appointed "Chief Procurement Officer" (CPO) puzzles me. The position of "CPO" does not exist at ARRC. Our Board has never made such an appointment and further, it is not required to do so. Under AS 36.30.010, the "CPO" is a person appointed by the commissioner of administration to a partially exempt position for a four year term. The CPO is responsible for supervising and coordinating procurement by all state agencies. As indicated above, ARRC

is not a state agency. Common sense dictates that neither the concept of a "CPO" nor the duties specified in AS 36.30.010 have any applicability to ARRC. If the legislature had intended ARRC to have a "CPO", they would have said so just as they did for the University of Alaska in AS 36.30.005(c)(3).

2. ARRC may delegate sole source procurement responsibility to its procurement section. AS 42.40.100 charges the Board of Directors with the management of the corporation and authorizes the board to delegate day to day responsibility of managing the corporation to the Chief Executive Officer and his designees. ARRC's Approval Authority Guide (AAG) represents that delegation of authority. The AAG authorizes various corporate employees to approve requests for sole source contracts. Notwithstanding any delegation of authority, no contract can be executed without being reviewed and approved by ARRC's procurement section. The AAG establishes dollar limits within which each designee can authorize the procurement section to proceed with the proper execution of a contract with a vendor. The concept of the "Chief Procurement Officer" which is embodied in the State procurement code ensures that state agencies are not operating autonomously. ARRC procurement rules and AAG accomplish the same thing thus ensuring we are substantially equivalent to the code.

3. ARRC's Procurement Rules are substantially equivalent to the procedures prescribed in the State Procurement Code. As previously mentioned, ARRC's legal department wrote the procurement rules which were adopted by the board of directors. In their opinion, the rules meet and in fact surpass the requirement of substantial equivalence. The very fact the corporation was specifically excluded from the definition of "agency" by the code indicates a legislative intent that the corporation continue to operate in a manner which is consistent with ARCA and ARTA. At the same time, the "substantial equivalence" language indicates a legislative desire that the corporation adopt rules which fulfill the purpose of the procurement code, that being honest, fair and equitable procurement procedures. The legislature did not require the corporation to adopt the same rules and procedures as state agencies because they recognized the unique status and function of the corporation.

Notwithstanding the foregoing, a careful review of ARRC's rules will reveal that most of the rules are virtually the same as those in the State procurement code. The only differences are in those areas where a rule conflicted or interfered with the

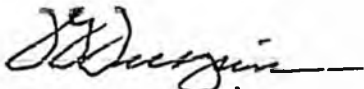
Legislative Audit Division, Interim Letter No. 1  
December 15, 1988  
page 4

corporation's mandate under ARCA and ARTA and those provisions which, on their face, were clearly only applicable to a state agency. However, even in areas where our rules differ, our rules comply with both the spirit and purpose of the code.

I would also like to point out that we have had discussions with officials in the Department of Administration and the Attorney General's office and the issue of substantial equivalence of our rules has not been questioned. Further, as I am sure you are aware, the Anchorage office of your division has had a copy of our rules since shortly after their adoption. We have had no indication of concern expressed as to the substantial equivalence of our rules from that office either.

In conclusion, I appreciate the opportunity to reply to your interim letter and I am sure you can see that the recommendation you have made is unnecessary. I look forward to discussing any further questions you may have before you issue your final letter.

Sincerely,



F. G. Turpin  
President & Chief Executive Officer

ALASKA RAILROAD CORPORATION



# APPROVAL AUTHORITY GUIDE



December 1986

**Routine Temporary Delegation**

To: Manager, Accounting

From: \_\_\_\_\_

(Signed)

I will be out of the office from \_\_\_\_\_ through \_\_\_\_\_ inclusive. During this time, I delegate to \_\_\_\_\_ the authority of my position as \_\_\_\_\_ for routine items as designated in the Approval Authority Guide.

cc: Distribution B or Human Resources, Accounting, Supply, Procurement, and Administrative Services

**Full Temporary Delegation**

To: Manager, Accounting

From: \_\_\_\_\_

(Signed)

I will be out of the office from \_\_\_\_\_ through \_\_\_\_\_ inclusive. During this time, I request the full authority of my position as \_\_\_\_\_ be delegated to \_\_\_\_\_.

Approved by: \_\_\_\_\_

cc: Distribution B or Human Resources, Accounting, Supply, Procurement, and Administrative Services

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## Forward

### Policy

The Board of Directors has delegated to the President of the Alaska Railroad the authority necessary to conduct the day-to-day business of the company, including the Presidents' capacity to delegate to specific positions within the company the authority to approve certain business actions. The formal delegation of authority is effected through the President's approval of an approval authority guide ("The Guide") which specifies the authorities granted to each position. The guide incorporates the authorities specifically delegated by the Board of Directors to the President and to the President's delegation to the Corporate Managers. All changes to the Approval Authority Guide will be endorsed by the Vice President-Finance and by the President.

### Responsibilities

A basic premise of the above policy is that delegated authority bears with it a corresponding obligation to exercise sound discretion and good business judgment. Any action being considered for approval must be necessary and, for financially oriented actions, within the approved operating budget. Good internal control dictates that the limitations of authority set forth in this guide be complied with by all concerned. There can be no deviations from the established authority levels without the formal approval of the President.

Because of the need for prompt handling of company business and to avoid unnecessary delays, each incumbent is responsible for becoming familiar with the policy and procedures governing approval authority and the authority elements and limits delegated to his/her position including the endorsements, if any, required prior to approval of certain actions.

### Limitations

Approval authority is limited by the scope of responsibility associated with the related position. Accordingly, approval authority does not general cross departmental or divisional lines. Further, unless otherwise specifically indicated, incumbents do not have the authority to approve any action in their own behalf.

Provisions in Bargaining Unit Agreements may override any section.

### Temporary Delegation

The Incumbent Manager will approve temporary delegation of authority. Where absence is known to exceed one week or where the next higher position will not be available for approvals, authority can be delegated by the Incumbent Manager to another position normally reporting to the incumbent.

The authority delegated to each position will be based on the job scope and approval requirements actually necessary to conduct day-to-day business.

For temporary delegations of Department Managers and subordinates see procedure on page 3.

## Interpretations

Any questions regarding interpretation of this guide should be directed to the Manager, Accounting.

## Legend:

k	\$000
M	\$000,000
A	Has authority
E	Endorsement within area of responsibility or required as noted.
F	Final approval when limits in the Alaska Railroad are exceeded.

## Definitions

Approver - An incumbent of a position designated as having approval under the guide. (It is the position, not the incumbent, which carries the authority.) Approvers have the responsibility of exercising the authority of their positions in accordance with all of the rules governing approval authority.

Endorser - An incumbent of a position responsible for technical review of a request. Endorsement indicates agreement with and support of the technical aspects of an action related to the corporate responsibilities of the Endorser (e.g., the Legal Department reviews and endorses the legal language of a contract.) The endorser, therefore, is usually in a staff department such as Legal, Accounting, Procurement, and Human Resource. Endorsement must be obtained prior to final approval.

## Temporary Delegations Procedures

There are two types of temporary delegations - "Routine" and "Full."

A "Routine" temporary delegation can be made by providing written notice to Accounting. The purpose of this type of delegation is to allow for routine business in the absence of an incumbent. Items of a non-routine nature may not be approved under this type of temporary delegation. Authority elements which can be delegated on a routine basis include the following section and or specifically identified approval authority line items.

### Contracts and Letters of Agreement

Approve Contractor Time Sheets (For Reimbursement)

### Purchasing

(Approved Budget)

### Transportation

(Approved Budget)

**Disbursements**

**Routine**

**Organization and Personnel**

**Approve Alaska Railroad Time Cards  
Authorize Overtime**

A "Full" delegation is to be used for non-routine absences (generally in excess of two weeks.) Such a delegation carries with it the full authority of the incumbent and requires the advance written approval of the immediate supervisor of the individual whose authority is being delegated. After securing this approval, Accounting must be notified of the delegation in writing.

Examples of memos which may be used to temporarily delegate authority on a "Routine" and "Full" basis are shown on the inside of the front cover.

Temporary delegation of authority may only be made for periods of one week or more except for the President and Vice Presidents who may delegate their authority for any given period of time.

# ALASKA RAILROAD CORPORATION



## Management

Board of Directors

President & CEO

V.P., Finance

V.P., Operations

V.P., Marketing

Director, Administration

Director, Human Resources

Chief Counsel

Manager, Corporate Communications

Manager, Internal Control

### Budgets

Annual Capital Budget	F	E	E	E	E	E			
Annual Operating Budget	F	E	E	E	E	E			
Charitable Contributions	F	E(1)							
Annual Divisional/Departmental Operating Budget	F	F	A/E(2)		A	A	A		
Long Range Plans	F	E	E	E	E	E	E		

### Authorization for Expenditure (AFE) (4)

Capital AFE (Approved Budget)	F	500k(3)	100k	250k	100k	100k	50k	10k	
Item Overrun	A	500k	25k	25k					
Items Not in Budget	F	100k	25k	25k					
Expense AFE (Approved Budget)		A	100k	250k	250k	100k	100k	250k	
Deferred AFE for Design Work									
Item In Approved Budget	F	500k	E	E					
Item Not in Approved Budget	F	100k	E	E					
Reimbursable AFE	F	500k	E	250k					
Budgeted Items Not Specifically Identified									
Capital	F	100k	25k	25k					
Expense		A	100k	A	100k	100k		100k	
Emergency Expenditure	F	500k	25k	100k					

### Contracts & Letters of Agreement (6) (15)

Request for Contract		5M(5)	100k/E	250k	100k	100k	25k	25k	5k	5k
Request for Professional Service Contract										
30 Months or Less (14)		2M(5)	5k	5k	5k	5k	5k	5k	5k	5k
Over 30 Months		2M(5)	E	E	E	E				
Request for Lease (annual amount)										
36 Months or Less		5M(5)	100k	250k	100k	100k	20k			
Over 36 Months		2M(5)	50k	100k	50k	50k	10k			
Request for Sole Source Contract (Approved Budget)	F	2M(5)	15k	25k	15k	15k	10k	25k	1k	1k
Execution of Home Sale Equity Purchase		A				E				
Execution of Contracts		A(7)	500k					E		
Right-of-Way & Easements										
Acquisition of R-O-W Under Approved AFE		A						E		
Approve Contractor Time Sheets for Reimbursement		A	A	A	A	A	A	A	A	A
Obtain Management Audit	A	E								

### Purchasing (Approved Budget) (15)

Material Requisitions (6)		A	100k	250k	100k	100k	15k	25k	5k	1k
Establish BPO (6)		A	100k	150k	100k	100k	15k	25k	5k	1k
P.O.'s & Amendments (7)		A	1M							
Establish FPO Releaser (25)		A	A	A	A	A	A	A	A	A

### Transportation (Approved Budget)

Authorize Transportation - Business and Training (may approve own T/A)										
Intrastate (11)		A	A	A	A	A	A	A	A	A
Interstate (11)		A	A	A	A	A	A			
Approve Use of Charter Aircraft		A		A						
Rail Pass Issuance										
Annual Pass		A	A	A	A	A	A			
Trip Pass		A	A	A	A	A		A		

**ALASKA RAILROAD CORPORATION**



**Management**

	Management									
	Board of Directors	President & CEO	V.P., Finance	V.P., Operations	V.P., Marketing	Director, Administration	Director, Human Resources	Chief Counsel	Manager, Corporate Communications	Manager, Internal Control
<b>Disbursement</b>										
<b>Invoices</b>										
Covered by Contract	A	100k	250k	100k	50k	50k	50k	10k	5k	
Covered by P.O. (8)										
Transportation - MFLS	A	150k	50k							
Charter Aircraft	A	10k	10k							
Employment Service Fee	A					10k				
Legal, Professional, Government A							100k			
Property Damage & Injury Claims(10)	500k		100k				25k			
All Other (Including Check Request Without Invoice)	500k	10k	10k	10k	10k	4k	2k	1k	1k	
Annual Budgeted Cash Contributions	A(1)							1k		
<b>Drafts</b>										
Right-Of-Way & Easements	A	E					E			
<b>Expense Accounts</b>										
Regular Travel, Training Travel, & Business Expense	A	5k	5k	5k	5k	3k	3k	500	500	
Relocation	A	E	E	E		25k/E				
<b>Expense Advances (11)</b>										
Regular Travel, Training Travel, & Business Expense	A	2k	2k	2k	2k	1k	1k	500	500	
Relocation	A	E	E	E		5k/E				
Utility Bills	A	A	A	A	A					
Petty Cash Replenishment	A	5k	3k	1k	1k					
Payment of Taxes	A	A								
Insurance & Bond Premiums, Brokers, Fees	A	A								
Benefit Payments	A						A			
<b>Disposal of Land, Materials &amp; Equipment</b>										
<b>Materials &amp; Equipment</b>										
Declare Excess to Department	A	A	A	A	A	A	A			
Declare Materials & Equipment Surplus (Book Value)	A	A	500k	1M						
Approve Sales	A	1M	500k						E	
Execute Sales Agreement	A	A	500k							
Sign Title Certificate	A	A	A	A						
<b>Land</b>										
Declare Excess to Company	A	E	E	E	E	E				
Approve Sales (18)	E	E	E	E	E				E	
<b>Banking and Finance</b>										
Contract External Auditors	A	E	E							E
Open, Close Bank Account		A	A							
Establish Authorized Signature for Bank Accounts		A	A							
Transfer Funds		A	E							
Request to Borrow Funds		A	1M							
Procure/Negotiate/Execute Financial Instruments										
Execute Master Loan Agreements		A	1M					E		
Issuance of Railroad Bonds (19)	E	E	E					E		
Establish Security for Bonds	F	E	E					E		
Purchase Railroad Bonds		A	E							
Establish Petty Cash Funds		A	A							
Legislative Appropriation of Grants (20)	E	E	E							
<b>Litigation, Claims &amp; Insurance</b>										
<b>Answer and Appeal Claims against ARRC</b>										
Settle Claims Against ARRC	F	500k	5k	5k				A/E	20k/E	
<b>Corporate Claims Against Others</b>										
Initiate		A	A	A	A			A/E		
Settle		A	A	A	A			A/E		
Release of ARRC Claims		A	A	A	A			A/E		
Approve Insurance Coverage		A	E					E		
Acquire Insurance Coverage		A	A							
Write Off Bad Debts	F	100k	25k					E		
Issue Customer Credits/Reduce Invoices	F	100k	25k							

**ALASKA RAILROAD  
CORPORATION**



**Management**

Board of Directors	President & CEO	V.P., Finance	V.P., Operations	V.P., Marketing	Director, Administration	Director, Human Resources	Chief Counsel	Manager, Corporate Communications	Manager, Internal Control
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**Organization & Personnel**

**Organizational Changes**

Major Corporate Reorganization (9)	A	E	E	E	E	E	E		
Reorganization Within Department (9)	F	A/E	A/E	A/E	A/E	A/E	A/E		
Sale of the Corporation (21)	E	E	E	E			E		
Establish or Change Company Policy									
Corporate Policy & By-Laws	A	E	E	E	E	E	E	E	
Administrative		A	E	E	E	E	E	E	
Approve Exceptions to Policy									
Corporate	A	E	E	E	E	E	E	E	
Administrative		A	E	E	E	E	E	E	
Establish or Change Company Approval									
Authority & Approval Limit (Approval Authority Guide) (9)	A	E	E	E	E	E	E	E	E
Grant Powers of Attorney	A							E	
Grant Authority to Execute Instruments on Behalf of Railroad	A							E	
Employee Benefit Program (Qualified)(9)	F	E	E				A		
Staffing									
Approve President-CEO	A								
Approve Staffing Level (9)	A	E	E	E	E	E	E		
Establish New Position (With Approved Level) (9)	A	E	E	E	E	E	E		
Approve Personnel Requisition (Currently Authorized) (9)	A	A	A	A	A	A	A	A	A
Requisition Temporary Personnel (9)	A	A	A	A	A	A	A	A	A
Personnel									
Offer Employment Under Approved Requisition (9)	A						A		
Execute Employment Contract	A					E	A	E	
Approve Transfers or Changes of Assignment Within Approved Staffing (9)	A	A	A	A	A	A	A	A	
Approve Relocations	A						E		
Authorize Overtime	A	A	A	A	A	A	A	A	A
Approve Time Cards	A	A	A	A	A	A	A	A	A
Approve Vacation Carry Over	A	A	A	A	A	A	A	A	
Advance Leave	A	A	A	A	A	A	A	A	
Salary Actions									
Non-Represented Employees									
Salary Merit Program (9)	A	E	E	E	E	E	E		
Approve Budgeted Merit Salary Increase (9)	A	A	A	A	A	A	A	A	A
Approve Non-Budgeted Merit Salary Increase (9)	A	E	E	E	E	E	E		
Compensation for Executive Officers	A	E							
Approve Other Adjustments (9)	A	A	A	A	A	A	A/E	A	

# ALASKA RAILROAD CORPORATION



## Management

Board of Directors

President & CEO

V.P., Finance

V.P., Operations

V.P., Marketing

Director, Administration

Director, Human Resources

Chief Counsel

Manager, Corporate Communications

Manager, Internal Control

### Salary Actions - continued

#### All Employees

Approve Termination by ARRC for

Any Reason (9) (16)

A

A

A

A

A

A/E

A

Approve Promotion (9) (16)

A

A

A

A

A

A/E

A

Approve Leave Without Pay

A

A

A

A

A

A

A

15 days

5 days

Approve Suspension for Any

Reason (9) (16)

A

A

A

A

A

A/E

A

Approve Memberships, Attendance

at Professional Meetings,

Seminars and Reimbursable

Course of Study

A

A

A

A

A

A

A

A

#### Represented Employees

Labor Agreements

Negotiable with Unions (9)

E

E

E

E

E(17)

E(17)

Sign Labor Agreements (9) F

E

E

E(17)

E

### Public Relations

Speeches, Publications, Press Releases,

Advertising

Having Significant Financial or

Public Affairs Implications on

the Railroad

A

E

E

E

E

E

E

A

All Others

A

A

A

A

A

A

E

A

Approve Company Position and Technical

Papers on Internal Operations for

Use by Company Personnel in Making

Public Speeches, Answering Inquiries,

Granting Press Interviews, Etc.

A

A

A

A

A

A

E

E

Presentation of Company Position to

Government and Other Agencies in

Proceedings, Hearings or Pending

Court Actions

A

A

A

A

A

A

A

E

### Miscellaneous

Assign Company Vehicle

A

A

A

A

A

Assign Company Take Home Vehicle

A

Approve Issue of Firearms

A

Approve Destruction of Corporate

Records

A

E

A

E

Approve Tours of Railroad Facilities

A

A

A

A

A

A

E

### Operational Changes

Extend Railroad Lines (22)

E

E

E

E

### Tariffs - Freight Rates (12)

Establishing Tariffs

E

A

Exempt Rates

E

A

E

Contract Rates

E

A

E

General Rate Increase

E

A

### Real Estate

Approve Lease of Corporation Property

Less than 3 yrs

A

E

E

Over 3 yrs

A

E

E

E

Over 35 yrs (23)

E

E

E

E

E

Exercise Eminent Domain (24)

E

E

E

E

E

Execute the Contract

Less than 10 yrs

A

E

E

Over 10 yrs

A

E

E

E

## Footnotes and Comments

### Footnotes

1. Charitable contributions will be included in the annual operating budget as a single line item. The Railroad will provide the Board of Directors an itemized list of proposed contributions. Prior to committing any fund from the contingent amount in the itemized budget of \$1k or of a possible sensitive nature, management will inform the Board.
2. V.P., Finance will endorse all divisional budgets before submission to the President.
3. Requires a Board approval if over \$500k or one year in scope. (Per the Transfer Agreement)
4. The Vice President, Finance; Manager, Financial Services; Manager, Accounting, and Operations Senior Financial Analyst shall endorse all AFE's prior to approval. Once the AFE has been approved no action will be taken until the Manager, Accounting approves the availability of funds.
5. For all contracts and letters of agreement exceeding the stated limit, a request for contract (RFC) enumerating business terms and conditions will be provided to the Board of Directors for informational purposes prior to final approval by the President.
6. V. P., Finance and Manager, Financial Services endorsement is required for requests for contracts and material requisitions in excess of \$50,000.
7. The Legal Department shall endorse all contracts. Copies of draft contracts exceeding \$5,000,000 to be made available to Board of Directors for informational purposes.
8. Disbursements for purchase order invoices do not require additional signature authority when verification is made that a valid purchase order exists and the receiving documentation substantiates receipt.
9. Human Resources endorsement required prior to final company action.
10. Loss & Damage Claims and Legal endorsement required.
11. Manager, Human Resources Development must endorse all Training Travel.
12. The Accounting Manager; Marketing Manager and the Financial Services Manager shall endorse all new freight contracts, tariffs and changes in existing freight contracts, tariffs. Legal shall endorse all contracts. The Vice President, Marketing has the final approval on rates. The Sales Department has the authority to execute the contract once the rate has been endorsed and approved.
13. Manager, Personnel offers employment and negotiates the contract. President and CEO or Manager, Human Resources executes the contract after Legal endorsement.
14. Professional Service Contracts must follow Alaska Statute 36.98; contact Contracts for the appropriate procedures and State forms. Normal contracting procedures are used if the contract is under \$5k. Professional Services is defined as "any professional, technical, or consultant services predominantly intellectual in character."
15. Financial Services only, commits the company to the purchase of supplies or services. This approval level is the amount each manager may request Contracts to initiate purchasing actions. Blanket Purchase Orders (BPO) allow departments to obtain supplies directly from vendors up to the total BPO limit.
16. Manager, Labor Relations endorsement required prior to final company action relating to represented employees.
17. The Manager, Labor Relations may tentatively approve Labor Agreements subject to final approval by the Board of Directors.
18. The Legislature approves the sale of Railroad land.
19. The Legislature approves the issuance of Railroad bonds.
20. The Governor shall endorse the Legislative Appropriation of Grants and the Legislature shall approve.
21. The Governor approves the sale of the Railroad.
22. The Legislature approves the extension of Railroad Lines.
23. The Legislature approves the leasing of railroad property over 35 years.
24. The Governor must approve the Exercise of Eminent Domain by the Railroad.
25. Field Purchase Order (FPO). Division/Department Managers may recommend the employees that receive the FPO Booklets with final approval by Financial Services.

**ALASKA RAILROAD CORPORATION**



**Department Managers**

Superintendent, Transportation

Chief Engineer

Chief Mechanical Officer

Chief, Security

Manager, Sales

Manager, Marketing

Manager, Passenger Services

Director, Real Estate

Manager, Financial Services

Manager, Administrative Services

Manager, Accounting

Manager, Information Systems

Authorization for Expenditures  
Capital AFE (Approved Budget) (1)  
Expense AFE (Approved Budget)

100k 100k 100k 10k 10k 10k 10k 10k 25k 10k 10k/E 10k  
250k 250k 250k 100k 100k 100k 100k 100k 100k 100k 100k 100k

Contracts & Letters of Agreement(3)  
Request for Contract  
Request for Sole Source Contract  
(Approved Budget)  
Request for Personal Services  
Contract  
Approve Contractor Time Sheets for  
Reimbursement  
Execution of Contracts (4)  
Lease ARRC Equip to others for less  
than one year

25k 25k 25k 10k 5k 5k 5k 5k 5kE(2) 5k 5k 5k  
10k 10k 10k 10k 2k 2k 2k 5k 2k 2k 2k 2k  
3k 3k 5k 3k 3k 3k 3k 3k 3k 3k 3k 3k  
A A A A A A A A A A A A  
250k  
A  
E

Purchasing (Approved Budget) (3)  
Material Requisition  
BPO Establishment  
Establish FPO Releaser (17)  
P.O.'s and Amendments (4)

25k 25k 25k 10k 5k 5k 5k 5k 5k 5k 5k 10k  
1k 1k 1k 1k 5k 5k 5k 5k 5k 5k 5k 10k  
A A A A A A A A A A A A  
500k 250k/E

Transportation (Approved Budget)  
Authorized Transportation - Business  
and Training (8)  
Intrastate (May Approve Own  
Travel Authorization)  
Approve Use of Charter Aircraft  
(Emergency)  
Rail Trip Pass

A A A A A A A A A A A A  
A A A A A A A A A A  
A A A A A A A A A

Disbursements  
Invoices

Covered by Contracts  
Covered by P.O.'s (6)  
Transportation - MTL5  
Charter Aircraft  
Property Damage & Injury Claim  
All Other (Including Check Requests  
Without Invoice)  
Payroll (Replacement Checks)  
Expense Accounts  
Regular Travel, Training Travel,  
& Business Expense  
Expense Advances  
Regular Travel, Training Travel,  
& Business Expense  
Utility Bills  
Petty Cash Replenishment  
Manual Checks

50k(15) 50k 50k 20k 5k 5k 25k 10k 10k 10k 10k(7) 10k  
75k 50k/E  
5k 5k 5k 5k  
10k(13)10k(16)  
1k 1k 1k 1k 1k 1k 1k 1k 1k 1k(9) 1k 1k  
2,500  
1,500 1,500 1,500 1k 2k 1k 1k 1k 500 500 500 500  
1k 1k 1k 1k 1k 1k 1k 1k 500 500 500 500  
A  
1k  
5k(11)

Disposal of Material & Equipment  
Declare Excess to Department (Book  
Value)  
Declare MTL5 & Equipment Surplus to  
the ARRC  
Approve Sales  
Execute Sales Agreement  
Sign Title Certificate

10k 10k 5k 5k A A A A A A A A  
100k  
100k  
100k  
A

Banking and Finance  
Transfer Funds  
Establish Petty Cash Funds  
Request to Borrow Funds  
Procure/Negotiate/ Execute  
Loan Contracts  
Execute Master Loan Agreements

A  
2k  
E  
E  
A  
E

Litigation, Claims, & Insurance  
Claims Against Vendors, Suppliers,  
Contractors, Common Carriers  
Issue Customer Credits/Reduce Invoices  
Write off Bad Debts

E  
E  
E  
5k  
1k

# ALASKA RAILROAD CORPORATION



## Department Managers

Superintendent, Transportation  
 Chief Engineer  
 Chief Mechanical Officer  
 Chief, Security  
 Manager, Sales  
 Manager, Marketing  
 Manager, Passenger Services  
 Director, Real Estate  
 Manager, Financial Services  
 Manager, Administrative Services  
 Manager, Accounting  
 Manager, Information Systems

### Organization & Personnel

Organizational Changes -  
 Reorganization Within  
 Division (10) (14)

#### Staffing

Approve Personnel Requisition  
 (Currently Authorized) (10)

#### Personnel

Approve Transfer or Change of  
 Assignments within Approved  
 Staffing (10)

Authorize Overtime

Approve Time Cards

#### Salary Actions

Approve Budgeted Merit Salary  
 Increases (10)

Approve Promotions (10)

Approve Suspension for any  
 Reason (10)

Approve Termination for any  
 Reason (10)

Approve Leave of Absence Without  
 Pay

E	E	E	E	E	E	E	E	E	E	E	E	E
A	A	A	A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	A	A	A	A	A	A	A	A
A	A	A	A	A	A	A	A	A	A	A	A	A
E	E	E	E	E	E	E	E	E	E	E	E	E
A	A	A	A	A	A	A	A	A	A	A	A	A
E	E	E	E	E	E	E	E	E	E	E	E	E
15 day	15 day	15 day	15 day	10 day	10 day	10 day	10 day	5 day	5 day	5 day	5 day	5 day

### Real Estate

Approve Lease of Corporate Property  
 Less than 3 yrs or 50k/annum (12)

Over 3 yrs or 50k/annum (12)

Execute the Contract

Less than 10 yrs (12)

Over 10 yrs (12)

E	E	E	E	E	E	E	E	E	E	E	E	E
E	E	E	E	E	E	E	E	E	E	E	E	E

### Miscellaneous

Approve Issue of Firearms

A

### Footnotes and Comments

#### Footnotes

- Requires Vice President of Finance, Manager of Financial Services, Manager of Accounting, and Operations Financial Coordinator endorsement.
- Requires Manager, Financial Services endorsement before being sent to Board of Directors.
- Vice President, Finance and Manager, Financial Services shall endorse all requests for contracts and material requisitions in excess of \$50,000.
- The Legal Department shall endorse all contracts. Procurement Specialists may execute purchase orders up to \$25k.
- Disbursements for purchase order invoices do not require additional signature authority when verification is made that a valid purchase order exists and the receiving documentation substantiates receipt.
- \$500k authority for routine Mileage Allowances and Freight Settlements.
- Manager, Human Resource Development must endorse all Training Travel.
- Manager, Administrative Services has specific authority for disbursement for postage to \$5k.
- Requires the endorsement of Human Resources prior to company action.
- Manual checks over \$5k require two signatures among the following four: President; Vice President, Finance; Manager, Accounting; Supervisor, Revenue and Accounts Payable. Checks over 25k must include either the President or Vice President, Finance signature.
- As appropriate, affected Department Managers shall endorse, i.e. Superintendent of Transportation, Chief Engineer and Chief of Security. Legal Department shall endorse all contracts.
- Freight Car Damage Settlements only. Manager, Loss & Damage Claims must receive a copy of all settlements.
- Manager, Organization, Compensation & Benefits shall endorse all major Divisional Reorganizations.
- Superintendent, Transportation, may approve Car Hire/Mileage invoices up to \$75k.
- Claims paid over \$2,500 require Legal endorsement.
- Field Purchase Order (FPO). Division/Department Managers may recommend the employees that receive the FPO Booklets with final approval by Financial Services.

# ALASKA RAILROAD CORPORATION



## Operations Division

	Engineering		Mechanical			Transportation		Other	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
	Group One	Group Two	Foreman	Group One	Group Two	Foreman	Group One	Group Two	Operations Financial Analyst
Contracts & Letters of Agreement Approve Contractor Time Sheets for Reimbursement	A	A		A	A		A		A
Purchasing (Approved Budget) Material Requisition BPO Establishment Establish FPO Releasor	10k 1k	5k		10k 1k	5k		10k 1k	250	3k 1k A
Transportation (Approved Budget) Authorize Transportation - Business Travel (May not approve own Travel Authorization) Intrastate	A			A			A		
Disbursements Invoices Covered by Contracts All Other -(Including Check Request Without Invoice) Expense Accounts Regular Travel & Business Expense Expense Advances Utility Bills 25k	10k	1k		10k	1k	500	25k		1k 500
Organization & Personnel Personnel Authorize Overtime Approve Time Cards Salary Actions Approve Leave of Absence Without Pay Approve Suspension for Any Reason	A	A	A	A	A	A	A	A	A A
Footnotes and Comments									
Footnotes									
1.	Includes the Engineer of Structures, Telecom & Signaling Manager, General Roadmaster, General B & B Supervisor, and Engineering Office Supervisor.								
2.	Includes Assistant General Roadmaster, Equipment Supervisor, District Roadmasters, Telecommunications and Signaling Supervisor, and B & B Supervisors.								
3.	Includes Manager, MP&E Operations, Administrative Officer, and Chief Mechanical Engineer.								
4.	Includes Heavy Equipment Supervisor, General Supervisor of Locomotives, Terminal Supervisor Fairbanks, and Superintendent Car Department.								
5.	Includes Trainmasters/Road Foreman of Engines, and Administrative Assistant.								
6.	Includes Chief Train Dispatcher, Anchorage Terminal Superintendent, Seward Trainmaster, Manager Intermodal Services, Fairbanks Terminal Superintendent, Van Terminal Coordinator, and General Yardmaster.								
7.	Endorses all Operations Departments AFE's, Budgets and Accruals prior to the V.P. Operations approval and/or distribution of document to other Departments.								

# ALASKA RAILROAD CORPORATION



## Finance Division

### Accounting

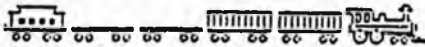
### Info Systems

### Financial Services

Supervisor, Revenue & A/P	Supervisor, Payroll & Systems Acctg.	Supervisor, Cash Mgmt. & Accts. Rec.	Manager, Systems & Programming	Manager, User Support	Manager, Computer Operations	Supervisor, Contracts	Supervisor, Document Support	Supervisor, Warehousing
---------------------------	--------------------------------------	--------------------------------------	--------------------------------	-----------------------	------------------------------	-----------------------	------------------------------	-------------------------

<b>Purchasing (Approved Budget)</b>									
Material Requisition	200	200	200	1k	200	1k(3)	1k(3)	1k	1k(1)
BPO Establishment	200	200	200	200	200	200	200	200	200
Request for Contract	200	200	200	2k	2k	2k	2k	2k	2k
Approve Contractor Timesheets	A	A	A	A	A	A	A	A	A
<b>Transportation (Approved Budget)</b>									
Request Transportation - MTLs									
Authorize Transportation - Business (May Not Approve Own Travel Authorization)									
Intrastate									
Rail Trip Pass									
<b>Disbursements</b>									
Invoices									
Covered by Contracts	1k	1k	1k	5k	5k	10k	5k	5k	5k
All Other (Including Check Requests Without Invoice)									
Expense Accounts									
Regular Travel & Business Expense									
<b>Organization &amp; Personnel</b>									
Personnel									
Approve Time Cards	A	A	A	A	A	A	A	A	A
Salary Actions									
Approve Leave of Absence Without Pay	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day	1 Day
<b>Banking and Finance</b>									
Replacement Payroll Checks	2,500								
Manual Checks	3k								
<b>Footnotes</b>									
1.	\$15k authority for warehouse stock and \$1k authority for departmental purchases; declare materials and equipment excess to ARRC (50k); approve and execute sales agreements (50k).								
2.	Manager, Computer Operations has \$10k approval for computer related supplies, such as paper and tapes.								
3.	Supervisor, Contracts shall have authority to execute contracts up to 100k and endorse all contracts.								

**ALASKA RAILROAD CORPORATION**



	Marketing Div								Legal
	Passenger Svc.	Human Resources							
Supervisor, Passenger Relations									
Supervisor, Stations									
Manager, Personnel									
Manager, Labor Relations									
Manager, Human Resource Development									
Manager, Health Safety & Environment									
Manager, Organization, Compensation & Benefits									
Assistant Chief Counsel									
Office Administrator									
Manager, Loss & Damage Claims									

Contracts & Letters of Agreement  
 Approve Contractor Time Sheets for Reimbursement

A

**Purchasing (Approved Budget)**

Material Requisition	200	200	1k	1k	1k	1k	1k	1k	1k	200
BPO Establishment			1k	1k	1k	1k	1k	1k	1k	
Request for Contract	500	500	5k	5k	5k	5k	5k	5k	5k	
Approve Contractor Timesheets	A	A	A	A	A	A	A	A	A	

**Transportation (Approved Budget)**  
 Authorize Transportation - Business  
 (May Not Approve Own Travel Authorization)  
 Intrastate

(1)

**Disbursements**

Invoices										
Covered by Contracts	1k	1k	5k	5k	5k	5k	5k	5k	1k	5k
All Other (Including Check Requests Without Invoice)										
Property Damage & Injury Claims										2,500
Expense Accounts										
Regular Travel & Business Expense										

**Organization & Personnel**

Personnel										
Approve Time Cards			A	A	A	A	A	A	A	
Salary Actions										
Approve Leave of Absence Without Pay	2 Day	2 Day	2 Day	2 Day	2 Day	2 Day	2 Day	2 Day	2 Day	
Represented - Labor Agreement (2)										
Negotiate				A						
Execute					A					

**Footnotes**

1. Manager, Human Resource Development endorses all training travel.
2. The Manager, Labor Relations may tentatively approve Labor Agreements subject to final approval by the Board of Directors.

TO Pat, FROM Sandra 4/1/90  
RE Your request for info. on amendments to SB 427 relating to  
procurement by the Railroad

1. Last session Governor signed into law SB 170, which made series of amendments to state procurement code.
2. When the bill was in State Affairs, Railroad requested amendment exempting them from language in existing law that requires adopting "procurement procedures substantially equivalent to the state's", on grounds that Railroad Act requires them to "meet industry [procurement] standards".
3. State Affairs CS accommodated Railroad's concern by replacing "substantially similar" with "procedures based on competitive principles consistent with this chapter".
4. This language was removed in House State Affairs, and did not appear in the final bill.
5. CSSB 427(Rules) restores the State Affairs language. (Governor's version didn't address this issue at all; Banking Committee amended to exempt Railroad from procurement code altogether; Finance/Rules replaced "substantially similar" with "competitive principles".)

Amendment #1 (Faiks)

Requires that the Railroad's competitive principles include Alaska bidder/product preferences, but:

Gives Railroad latitude by requiring them to adopt "substantially similar" preferences.

Exempts railroad equipment/supplies produced or manufactured outside Alaska. This addresses concern Railroad had last year over some firm(s) carrying on limited business enterprise exclusively for purpose of taking advantage of bidder's preference. AG drafted language for State Affairs to address (requiring maintain "substantial bona fide place of business") -- State Affairs didn't make a motion to adopt.

Amendment #2 (Szymanski/Pearce)

Requires that the Railroad's competitive principles comply with current statute regarding Alaska bidder/product preference -- no latitude.

Rules version  
SB 427

RAILROAD

1 U.S.C. (Internal Revenue Code) [UNDER 26 U.S.C. 103A].

2 \* Sec. 8. AS 36.90.015(e) ~~is amended to read:~~

3 (e) The boards of directors of the Alaska Railroad Corporation,  
4 the Alaska Housing Finance Corporation, and the Alaska State Housing  
5 Authority shall adopt procedures to govern the procurement of sup-  
6 plies, services, professional services, and construction for [BY] the  
7 respective public corporations [CORPORATION]. The procedures must

8 Am # 2 (Szymanski) (1) reflect competitive bidding principles and provide  
9 vendors reasonable and equitable opportunities to participate in the  
10 procurement process; and

11 (2) include procurement methods to meet emergency and  
12 extraordinary circumstances [BE SUBSTANTIALLY EQUIVALENT TO THE PROCE-  
13 DURES PRESCRIBED IN THIS CHAPTER AND IN REGULATIONS ADOPTED UNDER THIS  
14 CHAPTER]. (3) - am # 1 (Falks)

15 \* Sec. 9. AS 36.30.990(1) is amended to read:

16 (1) "agency"

17 (A) means a department, institution, board, commis-  
18 sion, division, authority, public corporation, the Alaska Pio-  
19 neers' Home, or other administrative unit of the executive branch  
20 of state government;

21 - (B) does not include

22 (i) [, EXCEPT FOR] the University of Alaska;

23 (ii) [,] the Alaska State Housing Authority;

24 (iii) the [AND] Alaska Railroad Corporation;

25 (iv) the Alaska Housing Finance Corporation;

26 (v) [IT DOES NOT INCLUDE] a regional Native  
27 housing authority created under AS 18.55.996, or a regional  
28 electrical authority created under AS 18.57.020;

29 \* Sec. 10. AS 37.07 is amended by adding a new section to read:

#1

A M E N D M E N T

OFFERED IN THE SENATE

BY SEN. FAIKS

TO: CSSB 427(Rules)

Page 7, line 10, after "process":

Delete "and"

Page 7, line 12, after "circumstances":

Insert "; and

(3) include preferences for Alaska bidders and products that are substantially equivalent to the preferences prescribed in AS 36.30.170(b), 36.30.250(b), and 36.30.322 - 36.30.338, except that the preferences are not applicable to procurements of railroad equipment, parts, and supplies that are produced or manufactured outside the state and are not Alaska products as defined in AS 36.30.338(1)"

preferable to RR because provides latitude ("substantially equivalent")  
is an exemption for parts produced outside.

concern RR had last year — firms that carry on limited business enterprises exclusively for purpose of taking advantage of bidder's preference.

AG's language — "maintained substantial bona fide place of businesses w/in state" — defined: 6 mo. maintenance & repair, staffed by state residents 7/29/90

no motion by committee to adopt

RR - inventory \$50,000+

12

A M E N D M E N T

OFFERED IN THE SENATE

BY SEN. SZYMANSKI  
SEN. PEARCE

TO: CSSB 427 (Rules)

Page 7, after line 4: 7?

Insert

"(1) comply with requirements of AS 36.30.170:"

Renumber the following paragraphs accordingly.

NOTE: The purpose of this amendment is to insure that the Alaska Bidder Preference of 5% and the Alaska Products Preference be applicable to the Alaska Railroad and AHFC.

lowest responsible & responsive bidder  
 including AK bidder preference of 5%  
 & AK products preference <sup>→ 25% of value has been added in state</sup>  
 (AK timber only unless more than 7%  
 more expensive than non-AK timber  
 - whenever practicable by state agency  
 - grant of preference (%))

From: Sen. Szpunar  
re: SB 427

**Effect of amendments.** — The 1989 amendment effective September 10, 1989, rewrote the second sentence of subsection (b).

**Sec. 36.30.170. Contract award after bids.** (a) Except as provided in (b), (c), and (d) of this section, the procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the invitation to bid.

(b) The procurement officer shall award a contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent and an Alaska products preference as described in AS 36.30.322 — 36.30.338 have been applied. In this subsection, "Alaska bidder" means a person who

- (1) holds a current Alaska business license;
- (2) submits a bid for goods, services, or construction under the name as appearing on the person's current Alaska business license;
- (3) has maintained a place of business within the state staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;
- (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship, and the proprietor is a resident of the state or is a partnership, and all partners are residents of the state; and
- (5) if a joint venture, is composed entirely of ventures that qualify under (1) — (4) of this subsection.

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

(d) The procurement officer shall award an insurance-related contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent. In this subsection, "Alaska bidder" means a person who meets the criteria set out in (b)(1) — (5) of this section and who is an Alaska domestic insurer. (§ 2 ch 106 SLA 1986; am §§ 7 — 9 ch 65 SLA 1987; am § 6 ch 102 SLA 1989)

**Effect of amendments.** — The 1989 amendment, effective September 10, 1989, deleted "as defined under AS 36.30.100(c)" following "employment program" in subsection (c).

**Sec. 36.30.320. Small procurements.** (a) A procurement for supplies, services, or construction that does not exceed an aggregate dollar amount of \$5,000 may be made in accordance with regulations adopted by the commissioner for small procurements.

(b) A contract for professional services that does not exceed \$25,000 may be made under regulations adopted by the commissioner for small procurements, except that an agency may not contract for the services of legal counsel without the approval of the attorney general.

(c) Small procurements need not be made through competitive sealed bidding or competitive sealed proposals but shall be made with competition that is practicable under the circumstances.

(d) Procurement requirements may not be artificially divided or fragmented so as to constitute a purchase under this section or to circumvent the source selection procedures required by AS 36.30.100 — 36.30.270.

(e) The procurement officer shall give adequate public notice of intent to make a procurement under this section in accordance with regulations adopted by the commissioner. (§ 2 ch 106 SLA 1986; am § 12 ch 65 SLA 1987)

**Effect of amendments.** — The 1987 amendment, effective January 1, 1988, deleted the former second sentence of subsection (e), which read "Notices shall also be provided to those Alaska bidders designated by the commissioner under AS 36.30.050(d)."

**Article 5. Preference for Alaska Products.**

**Section**  
 322. Use of local forest products  
 324. Use of Alaska products  
 326. Contract specifications  
 328. Grant of preference  
 330. Penalty for failing to use designated products

**Section**  
 332. Classification of Alaska products  
 334. Identification of Alaska products  
 336. Application  
 338. Definitions

**Cross references.** — For similar provisions applicable to procurements using state money of forest, agricultural, and fisheries products see AS 36.15

**Effective date of article.** — Section 69, ch 106, SLA 1986, as amended by § 27, ch 65, SLA 1987, provides that this article takes effect January 1, 1988

**Sec. 36.30.322. Use of local forest products.** (a) Only timber, lumber, and manufactured lumber products originating in this state from Alaska forests may be procured by an agency or used in construction projects of an agency unless the manufacturers and suppliers who have notified the commissioner of commerce and economic development of their willingness to manufacture or supply Alaska forest products

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mic develop-  
a forest prod-

(1) have been given reasonable notice of the forest product needs of the procurement or project; and

(2) are unable to supply the products at a cost that is within seven percent of the price offered by a manufacturer or supplier of non-Alaska forest products.

(b) The provisions of AS 36.30.326 — 36.30.332 do not apply to procurements of timber, lumber, and manufactured lumber products or the use of those items in construction projects of an agency.

(c) During the period of performance of a state contract, the contractor shall maintain records showing efforts made in using Alaska forest products or evidence of Alaska forest products not being available or reasonably competitive. The contractor shall provide the records to the procurement officer on a periodic basis, as required by regulations adopted by the commissioner of commerce and economic development. (§ 2 ch 106 SLA 1986; am §§ 13, 14 ch 65 SLA 1987)

**Effect of amendments.** — The 1987 amendment, effective January 1, 1988, in the introductory language of subsection (a) substituted "Alaska" for "local" preceding "forest" and deleted "the commissioner of commerce and economic development certifies that" following "agency unless" and added subsection (c).

*Supplement*

**Sec. 36.30.324. Use of Alaska products.** Alaska products shall be used whenever practicable in procurements for an agency. (§ 2 ch 106 SLA 1986)

**Sec. 36.30.326. Contract specifications.** Contract specifications for a procurement for an agency must include a provision that a bidder or offeror that designates in a bid or proposal the use of Alaska products identified in the specifications will receive the preference granted under AS 36.30.328 in the evaluation of the bid or proposal if the designated Alaska products meet the contract specifications. (§ 2 ch 106 SLA 1986)

**Sec. 36.30.328. Grant of preference.** In the evaluation of a bid or proposal for a procurement for an agency, a bid or offer that designates the use of Alaska products identified in the contract specifications and designated as Class I, Class II, or Class III state products under AS 36.30.332 is decreased by the percentage of the value of the designated Alaska products under AS 36.30.332. (§ 2 ch 106 SLA 1986)

**Sec. 36.30.330. Penalty for failing to use designated products.**  
(a) If a successful bidder or offeror who designates the use of an Alaska product in a bid or proposal for a procurement for an agency fails to use the designated product for a reason within the control of the successful bidder or offeror, each payment under the contract shall be reduced according to the following schedule:

**Sec. 36.30.336. Application.** Notwithstanding other provisions of this chapter, AS 36.30.322 — 36.30.338 apply to all procurements subject to this chapter, except as provided in AS 36.15.050 and AS 36.30.322(b). (§ 2 ch 106 SLA 1986; am § 3 ch 62 SLA 1987; am § 16 ch 65 SLA 1987)

**Effect of amendments.** — The first 1987 amendment, effective January 1, 1988, substituted "this chapter" for "AS 36.30" and "AS 36.15.050" for "AS 36.30.170(b) and 36.30.322(b)."

The second 1987 amendment, effective January 1, 1988, substituted "this chapter" for "AS 36.30" and "AS 36.30.322(b)" for "AS 36.30.170(b) and 36.30.322(b)."

**Sec. 36.30.338. Definitions.** In AS 36.30.322 — 36.30.338

(1) "Alaska product" means a product of which not less than 25 percent of the value, as determined in accordance with regulations adopted under AS 36.30.332(a), has been added by manufacturing or production in the state;

(2) "produced or manufactured" means processing, developing, or making an item into a new item with a distinct character and use through the application within the state of materials, labor, skill, or other services;

(3) "product" means materials or supplies but does not include gravel and asphalt. (§ 2 ch 106 SLA 1986; am § 17 ch 65 SLA 1987)

**Revisor's notes.** — Reorganized in 1986 to alphabetize the defined terms.

**Effect of amendments.** — The 1987 amendment, effective January 1, 1988, in paragraph (1) substituted the language

beginning "of which not less than 25 percent" for "produced or manufactured in the state if the value added in the state is not less than 25 percent of the quoted price of the manufacturer."

**Article 6. Contract Formation and Modification.**

**Section**

- 340. Review and approval by the Attorney General
- 350. Bid cancellation, rejection
- 360. Determination of responsibility
- 362. Determination to award a contract to a nonresident
- 365. Notice of intent to award a contract
- 370. Types of contracts
- 390. Multi-term contracts

**Section**

- 400. Cost or pricing data
- 410. Right to inspect plant
- 420. Right to audit records
- 430. Standard modification clauses for contracts
- 460. Modification of standard clauses
- 470. Fiscal responsibility
- 480. Cost principle regulations

**Effective date of article.** — Section 69, ch. 106, SLA 1986, as amended by § 27, ch. 65, SLA 1987, provides that this article takes effect January 1, 1988.

**Collateral references.** — Effect of stipulation, in public building or construction contract, that alterations or extras

must be ordered in writing 1 ALR3d 1273.

Validity and construction of "no damage" clause with respect to delay in building or construction contract 74 ALR3d 167.

Construction contract provision excus-

**S B**

**173**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 173

SPONSOR C & RA (Adams)

BILL TITLE Municipal Elections

DATE REFERRED 3-6-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ~~need for CS~~ ✓

SPONSOR CONTACTED Marla, Martha 3707

INTERESTED PARTIES CONTACTED

✓ Linda Edgeworth, Elections 4611

Scott Burgess, AML 586-1325

maybe ✓ Jim Plasman, C & RA 4750

Tam Cook, 2450 ref/sectional 3-8-89, 4:15pm

OTHER

173POOP.TXT  
3/20/89

SB 173 MUNICIPAL PETITIONS AND ELECTIONS

TO TESTIFY

SENATOR ADAMS, CHAIR OF SPONSORING COMMITTEE (MARTHA/MARLA)

SCOTT BURGESS, ALASKA MUNICIPAL LEAGUE

LINDA EDGEWORTH, DIV. ELECTIONS

JIM PLASMAN, C&RA

F.Y.I.

C&RA COMMITTEE SUBSTITUTE. 3 CHANGES:

SEC. 7 CONFORM VOTER QUALIFICATIONS TO CHANGES IN SEC. 8  
SEC. 9 MUNI. MAY BY ORDINANCE REQUIRE REREGISTRATION  
BEFORE VOTING BY PERSON WHOSE REGISTRATION HAS  
BEEN CANCELLED  
SEC. 21 CONFORM "VOTER" DEFINITION TO CHANGES IN SEC. 7



# Alaska State Legislature

Al Adams  
District L

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245

3111 C Street  
Anchorage, Alaska 99503  
(907) 561-7622



Official Business

## Memorandum

TO: Senate Community and Regional Affairs Committee  
Members

FROM: Senator Al Adams, Chairman

RE: SB 173: An Act relating to municipal petitions and  
elections, and to appointments to fill municipal offices.

DATE: February 28, 1989

This is basically a housekeeping bill. When we rewrote Title 29, we failed to clarify some of the procedures relating to municipal petitions and elections. This bill was developed with the help of the AML legislative committee in an effort to address these concerns.

As currently written SB 173 covers the following issues: 1) makes local option petitions, unification petitions, preparation of petitions calling for the election of a charter commission, and petitions for adoption of a manager plan subject to the same requirements as municipal initiative and referendum petitions; 2) requires the same procedure for repeal of a manager plan as adoption; 3) permits a person to vote in a municipal election only if the person is registered in state election at least 30 days before the municipal election; 4) permits a municipality to require a person be registered in state elections at the address in the municipality claimed as the residence; 5) delineates a prime sponsor and requires the municipality to notify only the prime sponsor (as opposed to each sponsor) of an initiative, referendum or recall petition about the sufficiency or availability of a petition and to provide the petition only to a sponsor who requests it in person or by mail under certain conditions; 6) provides special initiative or referendum requirements for ordinances or resolutions that affect only a part of a municipality; 7) does not allow a person who has been recalled from an office to be appointed to fill that vacancy.

contained in CoRA C.S.

SUGGESTED AMENDMENTS  
SENATE BILL 173

The Division of Elections has reviewed the text of this bill and supports its general intent. It is important to note, however, that the Division of Elections is not directly affected by the main text of this bill. However, the Division serves municipalities in the conduct of local elections in a support capacity, specifically in maintaining voter registration rolls, providing voter lists and precinct registers, recording local voter history and determining precinct boundaries and polling sites. We, therefore, work with and lend our support to the Municipal League and local governments on these issues whenever possible. We support the general content of this bill because we agree with local officials that current laws regarding voter qualifications and petition processing do not adequately address the needs of local officials in the administration of these functions.

The Division wishes to focus its comments specifically on the sections regarding voter qualifications. It is our understanding that the purpose of this legislation is to resolve two major issues that, under current law, are unclear.

1. Under current law a voter must be a "resident" of the municipality in which he or she wants to vote for 30 days prior to an election. The law makes no requirement that they also be "registered" in the community. As long as they are registered somewhere to vote in state elections, local officials must count their vote.
2. Under existing provisions there is no clear statement as to the deadline by which a voter qualified in state elections must be registered for local elections.

The provisions of Section 7, are intended to clarify the requirements. Having discussed this issue with the Executive Director of the Alaska Municipal League, members of the League's legislative committee, and legal counsel for the league, the Division would like to recommend a friendly amendment to the bill which we believe more clearly fulfills the intent of the legislation. The text of that amendment is attached.

Sec. 7. AS 29.26.050(a) is amended to read:

Sec. 29.26.050. VOTER QUALIFICATION. (a) A person may vote in a municipal election only if the person

(1) is [A UNITED STATES CITIZEN WHO IS] qualified to vote in state elections[, ] under AS 15.05.010;

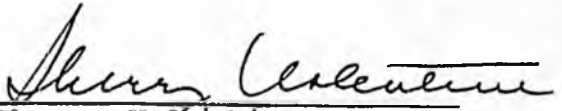
(2) has been a resident of the municipality for 30 days immediately preceding the election;

(3) is registered to vote in state elections at a residence address within the municipality at least 30 days before the municipal election in which the voter seeks to vote, and

(4) is not disqualified under art. V of the state constitution.

3/2/89

Date

  
Sherry Valentine  
Deputy Director

Another issue that has been raised by municipal officials relates to the status of votes cast by voters who have been purged. Under Title 15, a voter whose registration has been canceled for non-activity, may still vote in an election as long as they have been registered at sometime during the 2 previous general elections. This approach works well for state elections because of the Division's immediate access to past records of cancelled voters. For some municipalities this a burden and it has been suggested that the provision be deleted. While the Division of Elections would not support such a repeal for state elections we are sensitive to the burden it puts on some municipalities.

Should the Municipal League and municipalities wish to pursue this issue, however, we offer the following suggestion which would allow each municipality the discretion to determine the procedures regarding purged voters which will be utilized for its elections, while not interfering with the procedures utilized by the State.

Add a new subsection to AS 29.26.050 to read:

(d) A municipality by ordinance may require that a person whose registration has been cancelled under AS 15.07.130 must reregister and meet the qualifications under (a) of this section to vote in the municipal election.

# Alaska State Legislature

Al Adams  
District L

WHILE IN SESSION  
P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3707

OUT OF SESSION  
P.O. Box 333  
Kotzebue, Alaska 99752  
(907) 442-3245

3111 C Street  
Anchorage, Alaska 99503  
(907) 561-7622

Official Business

TO: PAT POURCHOT, CHAIR  
SENATE STATE AFFAIRS COMMITTEE

FROM: AL ADAMS, CHAIR *AA*  
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

RE: SB 173: "AN ACT RELATING TO MUNICIPAL PETITIONS AND  
ELECTIONS, AND TO APPOINTMENTS TO FILL CERTAIN  
MUNICIPAL OFFICES."

DATE: MARCH 3, 1989

THIS IS TO REQUEST SCHEDULING OF THE AFOREMENTIONED LEGISLATION  
IN THE SENATE STATE AFFAIRS COMMITTEE AT YOUR EARLIEST  
CONVENIENCE.

THE DOCUMENTS IN THE REFERRAL FILE IDENTIFY THE NEED FOR THIS  
LEGISLATION. IT WAS A REQUEST OF THE ALASKA MUNICIPAL LEAGUE  
AND BENEFITS MANY MUNICIPALITIES IN THE STATE.

THE BILL WAS HEARD IN THE COMMUNITY AND REGIONAL AFFAIRS  
COMMITTEE THIS WEEK AND A COMMITTEE SUBSTITUTE MADE CHANGES  
DETAILED IN THE DIVISION OF ELECTIONS POSITION PAPER ENCLOSED.

IF YOU OR YOUR STAFF HAVE QUESTIONS PLEASE DO NOT HESITATE TO  
CONTACT MY AIDES MARTHA STEWART OR MARLA BERG AT 465-3707.

**Resolution of the Alaska Municipal League**

**Resolution No. 89-6**

**A RESOLUTION URGING THE AMENDMENT OF MUNICIPAL  
ELECTION STATUTES TO CORRECT INCONSISTENCIES  
AND ALLOW FOR GREATER LOCAL CONTROL**

WHEREAS, several inconsistencies exist in the state laws governing municipal elections and the election process which are inappropriate, and

WHEREAS, these inconsistencies and incongruities impede the efficient management of the municipal elections process and introduce inequities into the election process, the foundation of our democratic system of government, and

WHEREAS, the limitations on staff and funding for the Alaska Public Offices Commission preclude the commission from adequately enforcing state statutes at the municipal level;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League urges the 16th Alaska Legislature and the Governor to pass legislation amending the statutes governing municipal elections to correct these inadequacies by adopting a package of election revisions proposed by the municipalities themselves through the Alaska Municipal League.


*Adopted at Annual Business Meeting o November 18, 1988 o Fairbanks, Alaska*

# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325  
FAX 463-5480

217 SECOND STREET, SUITE 200  
JUNEAU, ALASKA 99801

TO: Senator Al Adams, Chair  
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: March 1, 1989

SUBJECT: SB 173 - Municipal Petitions and Elections

The Alaska Municipal League supports SB 173. In November 1988, the AML Board identified amendments to the statutes governing municipal elections to correct inconsistencies in those statutes and, where appropriate, to allow for greater local control, efficiency and fairness as a top priority of the League for the 1989 legislative session. SB 173 addresses several of the individual issues outlined in the League's Municipal Platform.

Sections 1, 2, 3 4, 5, and 6 clarify the petition process for elections on local liquor option under Title 4, and unification, charter commission formation, and the manager plan adoption or repeal under Title 29. The language in most cases adopts the existing petition process under Title 29 (AS 29.26.100 -.190) with some amendments.

A process for initiative and referendum petitions is established in AS 29.26.100-.190. The statutes governing adoption or deletion of the manager plan (AS 29.20.460), alteration of forms of government (AS 29.06), and the local liquor option (AS 4.11.502) currently contain vague references to "by petition" but do not specify that the procedures governing such petitions should be those in AS 29.26.100-.190.

Sections 7 and 8 of SB 173 amend the voter qualification criteria for municipal elections under Title 29. Municipal elections are carried out under Title 29, whereas state elections are governed by Title 15. Sections 7 and 8 clarify that an individual is required to be registered within the State of Alaska and the precinct, district, service area, or municipality in which they reside not less than thirty (30) days immediately preceding the date of the municipal election.

Most municipalities have addressed this requirement by incorporating state law into local ordinances; however, the requirements should be clarified. Votes should be registered within the area, precinct, or municipality in which they seek to vote. A person must be a resident and registered in the new area 30 days prior to voting in a local election. Thirty-day residency and registration requirements are standard conditions placed on an elector's entitlement to vote and are based upon substantial public policy reasons such as ensuring that electors are informed about the candidates and issues of the election, ensuring that an elector in the area has a stake in the election, administrative convenience, and elimination of fraud in elections.

Sections 9 - 11 and 13 - 17 address the initiative, referendum and recall petition by amending Title 29 to a) require the municipal clerk to notify the designated contact who submits an application for an initiative, referendum, or recall petition of the sufficiency of the application and the availability of the petition and b) require the clerk to provide petitions only to persons who request a petition in person, or in writing if located in a multi-community municipality, from the clerk's office.

The Title 29 revision of 1986 provided an entirely new format for initiative, referendum, and recall petitions. This format has been tested, and it is time for some revisions to "tighten up" some portions of it. First, it should be clarified that the burden of contacting the sponsors of applications for petitions should be on the designated contact sponsor, not on the clerk. Applications for petitions in larger municipalities may contain hundreds of names of sponsors, many of whom aren't even aware they have been listed.

Second, petitions should be given only to those who agree to circulate the petition and sign for it. This would make the initiative, referendum, and recall process more manageable for the public and the clerk.

Section 18 clarifies AS 29.26.330 on the form of a recall ballot.

Section 12 amends AS 29.26.110-.190 to make a distinction for initiative and referendum issues of non-areawide or service area powers. AS 29.26.100-.190, which outlines the standards and process associated with a referendum election, mentions only municipal voters and makes no distinction as to voters inside the city and those outside it. The statutes do not require that petitioners or voters on an initiative or referendum be within the proposed or existing service area. Repeal of a non-areawide or service area power would affect residents located outside cities, but under current statutes voters within cities could have a significant, and potentially dominant, role in determining whether residents outside the city receive services.

Section 19 amends Title 29 to prohibit a recalled elected official or a recalled official appointed to an elected office from being appointed to the vacancy created by the recall. If voters recall an elected official or an official appointed to an elected office, the voters have spoken, and their decision should stand. Prohibiting a recalled official from being reappointed also avoids pressure on other elected officials. Basically, allowing a recalled person to be appointed to the vacancy created by his or her recall is contrary to the whole recall process. AS 29.26.320(c) states that a person who resigns (during a recall process) may not be appointed to fill the vacancy. To be consistent, a recalled official should not be appointed to the vacancy created by the recall.

The AML supports SB 173 and urges the Committee and the Legislature to pass the bill to bring clarity and fairness to the municipal elections process.

The Alaska Municipal League (AML) is a statewide, nonprofit, non-partisan organization of local governments. Its 123 municipal members include most of Alaska's cities, boroughs, and unified municipalities. The League serves as an advocate for municipal government in the Legislature and with the state executive departments, acts as a clearinghouse for information on federal and state actions affecting local governments, conducts training for local government officials, provides information through its newsletter, legislative bulletins, and other publications, and conducts an annual conference for policy development and training.

The Alaska Municipal League provides a forum through which local government officials can assist each other in the solution of municipal problems and can express their common concerns to state and federal officials. Through its members, the AML seeks to advance the interests and well-being of all Alaskans by supporting and advocating strong, cost-effective, and responsive local governments.

## Revisions of the Municipal Election Code

The Alaska Municipal League urges the 16th Legislature to pass legislation amending the statutes governing municipal elections to correct inconsistencies in those statutes and, where appropriate, to allow for greater local control of issues affecting municipalities. The package of election law revisions proposed by the League includes the following:

Sec. 1, 2  
3, 4, 6

- Specifying that the procedures for petitioning for adoption or deletion of the manager plan, alteration of government, and local liquor option are those established in AS 29.26.100-190:

A process for initiative and referendum petitions is established in AS 29.26.100-190. The statutes governing adoption or deletion of the manager plan (AS 29.20.460), alteration of forms of government (AS 29.06), and the local liquor option (AS 4.11.502) currently contain vague references to "by petition" but do not specify that the procedures governing such petitions should be those in AS 29.26.100-190.

Sec. 7, 8

- Amending Title 29, the Municipal Code, to allow a municipality, by ordinance, to require persons to be registered within the State of Alaska and the precinct, district, service area, or municipality in which they reside not less than 30 days immediately preceding the date of the municipal election.

Most municipalities have addressed this requirement by incorporating state law into local ordinances; however, the requirements should be clarified. Voters should be registered within the area, precinct, or municipality in which they seek to vote. A person must be a resident and registered in the new area 30 days prior to voting in a local election. Thirty-day residency and registration requirements are standard conditions placed on an elector's entitlement to vote and are based upon substantial public policy reasons such as ensuring that electors are informed about the candidates and issues of the election, ensuring that an elector in the area has a stake in the election, administrative convenience, and the elimination of fraud in elections.

Sec. 9, 10,  
13, 14, 15, 16,  
17

- Amending Title 29 to a) require the municipal clerk to notify the designated contact who submits an application for an initiative, referendum, or recall petition of the sufficiency of the application and the availability of the petition and b) require the clerk to provide petitions only to persons who request a petition in person, or in writing if located in a multi-community municipality, from the clerk's office:

The Title 29 revision of 1986 provided an entirely new format for initiative, referendum, and recall petitions. This format has been tested, and it is time for some revisions to "tighten up" some portions of it.

First, it should be clarified that the burden of contacting the sponsors of applications for petitions should be on the designated contact sponsor, not on the clerk. Applications for petitions in larger municipalities may contain hundreds of names of

sponsors, many of whom aren't even aware they have been listed.

Second, petitions should be given only to those who agree to circulate the petition and sign for it. This would make the initiative, referendum, and recall process more manageable for the public and the clerk.

Sec. 19

- Amending Title 29 to prohibit a recalled elective official or a recalled official appointed to an elective office from being appointed to the vacancy created by the recall:

If voters recall an elected official or an official appointed to an elective office, the voters have spoken, and their decision should stand. Prohibiting a recalled official from being reappointed also avoids pressure on other elected officials. Basically, allowing a recalled person to be appointed to the vacancy created by his or her recall is contrary to the whole recall process. AS 29.26.320(c) states that a person who resigns during a recall process may not be appointed to fill the vacancy; it is consistent with this that a recalled official should not be appointed to the vacancy created by the recall.

Sec. 12

- Amending AS 29.26.100-190 to make a distinction for initiatives and referendum issues of non-areawide or service area powers:

AS 29.26.100-190, which outline the standards and process associated with a referendum election, mention only municipal voters and make no distinction as to voters inside the city and those outside it. The statutes do not require that petitioners or voters on an initiative or referendum be within the proposed or existing service area. Repeal of a non-areawide or service area power would affect residents located outside cities, but under current statutes voters within cities could have a significant, and potentially dominant, role in determining whether residents outside the city receive services.

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act..municipal petitions and elections..certain municipal offices."  
 Sponsor: Senator Adams  
 Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL						
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REVENUE						
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Jim Plasman  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: 3/7/89

Approved by Commissioner: [Signature]  
 Agency: Community & Regional Affairs

Date: 3-7-89

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act..municipal petitions & elections, & to appointments.."  
 Sponsor: Senator Adams  
 Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

*Jam Plasman*

Prepared by: Jam Plasman, Deputy Director Phone: 465-4750  
 Division: Municipal & Regional Assistance Date: 3-1-89

Approved by Commissioner: [Signature] Date: 3-2-89  
 Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1989

SUBJECT: Sectional summary of SB 173

TO: Senator Al Adams

FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

Sec. 1. Makes municipal initiative and referendum petition requirements applicable to local option petitions (regarding regulation or prohibitions on the use and possession of alcoholic beverages).

Sec. 2. Requires a unification petition to comply with requirements for a municipal initiative and referendum petition. The clerk submits the completed petition to the assembly with a report of the number of valid signatures determined by the clerk to be on it.

Sec. 3. Requires a petition calling for election of a charter commission to be prepared under requirements applicable to an initiative and referendum petition. The completed petition is submitted by the clerk to the governing body with a report of the number of valid signatures on it.

Sec. 4. Requires a petition for adoption of a manager plan to meet the requirements applicable to an initiative and referendum petition. If the clerk certifies that the petition is sufficient, it is submitted to the governing body.

Sec. 5. Reworded slightly, but no substantive change.

Sec. 6. Repeal of a manager plan requires the same procedures as adoption. The repeal is effective within 60 days after certification of the election approving repeal.

Sec. 7. Permits a person to vote in a municipal election only if the person is registered in state election at least 30 days before the municipal election.

Sec. 8. Permits a municipality to require that a person be registered to vote in state elections at the address in the municipality claimed as the residence.

Sec. 9. Requires the name and address of a prime sponsor to be included on an initiative or referendum application. Correspondence relating to the petition is sent to that prime sponsor.

Sec. 10. Copies of the petition are provided to sponsors at the clerk's office, although, special circumstances are listed under which a copy will be mailed.

Sec. 11. Adds a cross reference to an exception added in the next section.

Sec. 12. Provides special initiative or referendum requirements for ordinances or resolutions that affect only part of a municipality.

Sec. 13. The clerk need only notify the prime sponsor of an insufficient petition.

Sec. 14. A recall petition must identify a prime sponsor.

Sec. 15. Copies of a recall petition are to be made available to sponsors at the clerk's office. A copy will be mailed only in special circumstances.

Sec. 16. The clerk is required to inform only the prime sponsor of the number of signatures needed on a recall petition.

Sec. 17. The clerk is required to inform the prime sponsor if the petition is insufficient.

Sec. 18. Minor rewording.

Sec. 19. A person who is recalled may not be appointed to the same office to fill that vacancy until a successor is elected.

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 13, 1989

SUBJECT: Sectional summary of CSSB 173(C&RA)  
TO: Senator Pat Pourchot  
FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

Sec. 1. Makes municipal initiative and referendum petition requirements applicable to local option petitions (regarding regulation or prohibitions on the use and possession of alcoholic beverages).

Sec. 2. Requires a unification petition to comply with requirements for a municipal initiative and referendum petition. The clerk submits the completed petition to the assembly with a report of the number of valid signatures determined by the clerk to be on it.

Sec. 3. Requires a petition calling for election of a charter commission to be prepared under requirements applicable to an initiative and referendum petition. The completed petition is submitted by the clerk to the governing body with a report of the number of valid signatures on it.

Sec. 4. Requires a petition for adoption of a manager plan to meet the requirements applicable to an initiative and referendum petition. If the clerk certifies that the petition is sufficient, it is submitted to the governing body.

Sec. 5. Reworded slightly, but no substantive change.

Sec. 6. Repeal of a manager plan requires the same procedures as adoption. The repeal is effective within 60 days after certification of the election approving repeal.

Sec. 7. Permits a person to vote in a municipal election only if the person is registered to vote in state elections

at a residence address within the municipality at least 30 days before the municipal election.

Sec. 8. Permits a municipality to require that a person be registered to vote in state elections at the address in the municipality claimed as the residence.

Sec. 9. Permits a municipality by ordinance to require a person whose registration has been cancelled to re-register before voting in municipal elections.

Sec. 10 Requires the name and address of a prime sponsor to be included on an initiative or referendum application. Correspondence relating to the petition is sent to that prime sponsor.

Sec. 11. Copies of the petition are provided to sponsors at the clerk's office, although, special circumstances are listed under which a copy will be mailed.

Sec. 12. Adds a cross reference to an exception added in the next section.

Sec. 13. Provides special initiative or referendum requirements for ordinances or resolutions that affect only part of a municipality.

Sec. 14. The clerk need only notify the prime sponsor of an insufficient petition.

Sec. 15. A recall petition must identify a prime sponsor.

Sec. 16. Copies of a recall petition are to be made available to sponsors at the clerk's office. A copy will be mailed only in special circumstances.

Sec. 17. The clerk is required to inform only the prime sponsor of the number of signatures needed on a recall petition.

Sec. 18. The clerk is required to inform the prime sponsor if the petition is insufficient.

Sec. 19. Minor rewording.

Senator Pat Pourchot

Page 3

March 13, 1989

Sec. 20. A person who is recalled may not be appointed to the same office to fill that vacancy until a successor is elected.

Sec. 21. Deletes definition of voter and substitutes a cross-reference to the statute that sets out voter qualifications.

TBC:gc  
WKG8/008

# Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman  
Sen. Al Adams  
Sen. Tim Kelly  
Sen. Rick Uehling



P.O. Box V  
State Capitol  
Juneau, Alaska 99811

907-465-3712

## Senate State Affairs Committee

### MEMORANDUM

TO: Senate State Affairs Committee  
FROM: Senator Pat Pourchot, Chairman  
RE: March 20 Committee Meeting  
DATE: March 20, 1989

Today at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 173, An Act relating to municipal petitions and elections, and to appointments to fill certain municipal offices

SB 173 makes a number of clarifications to the statutes governing municipal petitions and elections. The bill was developed at the request of the Alaska Municipal League.

In general, SB 173 standardizes petition procedures, requires that a prime sponsor be designated on petitions, establishes a 30-day registration requirement for voting in municipal elections, provides special initiative requirements for ordinances that affect only part of a municipality, and prohibits appointment of a recalled official to fill the vacancy created by the recall.

The Community and Regional Affairs Committee adopted a committee substitute containing two changes recommended by the Division of Elections. Specifically, Sec. 7 of the CS amends the voter qualification statute to conform with the requirement in Sec. 8 that a voter be registered at a residence address within the municipality 30 days prior to a municipal election. Sec. 9 of the CS authorizes a municipality to require that a voter whose registration has been cancelled for non-activity reregister before voting.

HB 86, An Act requiring employers to permit employees and former employees to have access to their personnel files

HB 86 would require both private and public employers to provide employees access to their personnel records. Employees could make copies of their records and would pay for the cost of copying. HB 86 would not supersede any collective bargaining agreements.

According to House Research, 13 other states and the District of Columbia have similar statutes.

**S B**

**192**

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 192

SPONSOR Faiks

BILL TITLE Eligibility for long-term per diem.

DATE REFERRED 2-27-89

HEARING SCHEDULED 4-10-89, 4-26-89, 5-1-89

FISCAL NOTE PREPARED

SPONSOR CONTACTED

✓ Cheryl

INTERESTED PARTIES CONTACTED

~~Karla~~ ✓ Pam Stoops, 3850

✓ Rep Davis (Katharine) 4930

yes or  
Terry  
Cramer ✓ Tam Cooke 2450

Tam Cooke

should be in  
statute. Legislature  
doesn't really have  
authority to limit  
statute through policy.

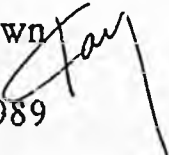
OTHER

# Kay Brown

## Alaska State Legislature House of Representatives

### MEMORANDUM

TO: Rep. Mike Davis, chairman  
Legislative Council

FROM: Rep. Kay Brown 

DATE: March 18, 1989

SUBJECT: Per Diem

Thank you for the opportunity to comment on the proposed changes in legislative per diem policy. I support your efforts to clarify and standardize the rules regarding per diem.

One suggested change reads (begins at bottom of page 2): "To qualify for interim per diem, travel per diem, or reimbursement for actual expenses for **a day**, a legislator must attend **a meeting for a legislative or public purpose**, or spend **at least four hours of that day** on legislative and constituent business." (emphasis added)

I would like to suggest an alternate approach for long-term per diem. **Legislators could report the actual hours spent at legislative or public purpose meetings and on constituent business, and be reimbursed a day of long-term per diem for every eight hours spent.** I believe this would be fairer and cheaper for the state in the long run. Why give someone a day of per diem when they only work four hours on constituent business, or attend a one-hour meeting?

Keeping track of hours and claiming a day of per diem for eight hours of work is the approach I followed last interim in claiming long term per diem for meeting attendance, although I did not claim per diem for most of the time I spent on constituent business. Because I held a part-time private job during the interim, I seldom spent more than two or three hours a day on legislative business, although I did work a significant number of hours. Under your proposal, I would not have been compensated for many of the hours I worked.

Thank you for your consideration.

P. O. Box 20-2661  
Anchorage, AK 99520-2661  
(907) 272-0207

During Session:  
P. O. Box V  
Juneau, AK 99811  
(907) 465-4998

# ALASKA STATE LEGISLATURE

Anchorage Office:  
3111 C St., Suite 530  
Anchorage, AK 99503  
907-561-7616



While in Juneau:  
P.O. Box V  
Juneau, AK 99811  
907-465-4958

Senator Rick Halford

March 21, 1989

Representative Mike Davis  
Chairman, Legislative Council  
P.O. Box V  
Juneau, Alaska 99811

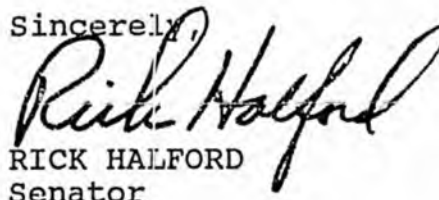
Dear Representative Davis:

Your letter of March 17, 1989, noted that Legislative Council would consider changes to the legislative per diem policy at its next meeting. Included were proposed amendments to the current policy and you invited members to comment on this important issue.

The proposed changes included with your letter represent a reasonable interpretation of what the current policy should be with respect to per diem. It is sad that this type of formal action is made necessary by the abuses of a few. I would suggest that Legislative Council request repayment from those abusing the system this past year.

Thank you for inviting comments and suggestions. I trust the Council will give serious consideration to this request thereby helping to restore a measure of confidence and trust between the people and their elected representatives.

Sincerely,

  
RICK HALFORD  
Senator

# ALASKA STATE LEGISLATURE



SENATE STATE AFFAIRS,  
CHAIR

ETHICS COMMITTEE,  
CHAIR

ANCHORAGE  
P.O. BOX 104336  
ANCHORAGE, AK 99510  
(W) (907) 561-7623  
(H) (907) 338-2425

JUNEAU  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 465-3712

Senator Pat Pourchot

TO: Representative Mike Davis  
FROM: Senator Pat Pourchot *Pat*  
DATE: March 21, 1989  
RE: Draft Per Diem Rule Changes

Thanks for the opportunity to review the proposed amendments to the current per diem policy. I believe that it is a good start on needed reform to the current practice.

One issue needing further clarification is the reimbursement criteria which is located at pages 2 and 3 of the enclosure with your March 17 memorandum. You have lumped interim and travel per diem together and this could cause some conflicts and differences. For example, it is now common to fly to a town the night prior to the meeting in order to attend the meeting the next morning. I interpret the new rule to mean that two hours of travel time and no work or meetings the night prior to the meeting would not qualify for per diem. This may be desired, but it is not current practice.

I also have problems with claiming interim per diem for constituent work. This doesn't seem consistent with my understanding of the original purpose of interim per diem, but it is clearly a policy call.

# Alaska State Legislature

Chairman  
(907) 465-4523



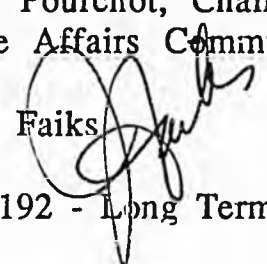
Jan Faiks  
Post Office Box V  
Juneau, Alaska 99811

## Senate Judiciary Committee

March 30, 1989

### MEMORANDUM

TO: Senator Pat Pourchot, Chairman  
Senate State Affairs Committee

FROM: Senator Jan Faiks 

SUBJECT: Senate Bill 192 - Long Term Per Diem

I want to provide you with some of the background information I pulled together while working on legislation which would change the basis for paying long term per diem to legislators during the interim.

For your reference, the following is attached:

- A list of interim payments paid in all 50 states as reported in "The Book of States 1988 - 89";
- From this list, my staff contacted four of the states which pay legislators during the interim. The results of those states are noted;
- AS 37.13.090 which provides compensation for Permanent Fund Corporation Board members; and
- AS 42.40.050 which provides compensation for Alaska Railroad Board of Directors.

If I can provide the committee with any further information, please just let me know.

#### Members

Mike Szymanski, Vice-Chairman • Rick Halford • Drue Pearce • Pat Rodey

#### Out of Session

3111 C Street, Anchorage, Alaska 99503 • (907) 561-7610

Table 3.9  
LEGISLATIVE COMPENSATION: INTERIM PAYMENTS AND OTHER DIRECT PAYMENTS

Compensation for committee or official business during interim				
State	Per diem compensation for committee or official business	Travel allowance (cents per mile)	Per diem living expenses	Other direct payments or services to legislators
Alabama	\$10	10(a)	\$1,900 total (U)	\$4,000 annual allowance during session (U)
Alaska	\$30-35(b)	25	...	...
Arizona	...	21	\$40 (\$15 for those living inside Maricopa County, location of capital) (U)	...
Arkansas	\$40	21	...	\$483/m for home office expenses (V)
California	...	60	\$82 (U)	...
Colorado	\$75	20 (14 for 4-wheel drive)	Actual and necessary (V)	...
Connecticut	...	21	...	(d)
Delaware	...	20	...	(d)
Florida	...	20	\$12/q for lodging and meals or actual cost of lodging and 13/breakfast, \$6/lunch, \$12/dinner (V)	...
Georgia	...	21	\$39	\$4,800/y expense allowance (V)
Hawaii	...	...	\$10 on island; 50 inter-island travel; \$100 out-of-state	...
Idaho	\$30(d)	...	Actual expenses (V)	...
Illinois	...	21	(f)	Senators receive \$41,000/y, representatives receive \$31,000/y as district office allowance (d) (V)
Indiana	\$80	25	\$30 (U)	...
Iowa	\$40(g)	21	Actual lodging expense; 13/breakfast; \$3/lunch; \$8/dinner (Home); \$30 meals (Senates) (V)	...
Kansas	\$35	20.5	\$46 (U)	\$600/m April through December to defray expenses (U)
Kentucky	\$100	21	Actual (V)	\$950/m interim expense allowance; \$50/session stationary allowance
Louisiana	\$75	21	...	\$125/m allowance to cover car, utilities and/or expenses for a district office (U); \$1,000 annual turnover and equipment allowance, plus \$250 (non-permanent repair) for legislators who have served one or more four-year terms (U); \$1,047/m (average) salary for legislative assistants (U)
Maine	\$55	22	\$26 for meals (V); actual expenses for lodging (V)	\$300 constituency service allowance provided at beginning of session (U)
Maryland	...	19	\$78 for lodging and meals (V) (i)	In-district travel allowance, \$200 (U); also interim funds for staff and equipment for district offices

LEGISLATURES

LEGISLATIVE COMPENSATION: INTERIM PAYMENTS AND OTHER DIRECT PAYMENTS—Continued

Compensation for committee or official business during interim				
State	Per diem compensation for committee or official business	Travel allowance (cents per mile)	Per diem living expenses	Other direct payments or services to legislators
Massachusetts	Included in expense allowance	Included in expense allowance	Amount for mileage, ranges from \$5 to \$50 depending on distance legislator's district is from state capital	\$2,400/y general expense allowance
Michigan	...	...	...	...
Minnesota	\$48	15	\$45/ for lodging (Home) (V)	\$400/y for telephone credit card (V) and postage allowance of \$383 (U); senators \$300 apartment allowance; Committee Chair, \$400/m apartment allowance (V)
Mississippi	\$40	20	\$75 (U)	\$300/m during interim
Missouri	...	20.5	Lodging and meals (V)	Representatives receive \$400/m for office expenses (V), and \$2,000-y mailing account (V)
Montana	\$52.13	22	\$14.50 for meals and \$24.96 for lodging (V)	Health insurance \$115/m; telephone credit card (amount varies)
Nebraska	...	21	...	...
Nevada	\$130	24	\$47.50 for three meals and lodging in state (V)	\$2,800 telephone allowance/regular session, postage allowance of \$40/regular session (U)
New Hampshire	...	38 for first 45 mi.; 19 thereafter	...	...
New Jersey	...	...	...	District office rent, office supplies, and telephone, postage allowances established at beginning of session
New Mexico	\$75	25	...	...
New York	...	...	...	...
North Carolina	...	23	\$79 in state (U); \$79 (U) or \$20 for meals and actual cost of lodging for out of state	\$212 m for expenses (rises to \$265 with 1999 session) (U), postage and telephone allowance of \$415 odd numbered years and \$146 even numbered years; stationary allowance of 4,000 pages for 2 year term
North Dakota	\$62.50	20	\$15 for lodging (V), \$17 for meals	...
Ohio	...	...	...	...
Oklahoma	\$23	20.5	...	Senators office supply allowance for session \$150 (V), 1st class postage \$ route (U), telephone \$400 (U)
Oregon	...	20	\$50 (U)	\$400-500 depending on district size for interim expenses (V), \$1200 in supplies during session (U), \$2,500 staffing allowance during session (U), \$5,000 mailing allowance during interim
Pennsylvania	...	21 (Senates), 20 (House)	\$85 (V)	\$13,000 for accountable expenses (V) Senators receive \$17,000 v. representatives \$10,000 v. for home office expenses (V), representatives also receive \$1,000 postage allowance (V), car allowance, \$4,000

LEGISLATURES

source: Book of States 1988-89

**LEGISLATIVE COMPENSATION: INTERIM PAYMENTS AND OTHER DIRECT PAYMENTS—Continued**

<i>Compensation for committee or official business during interim</i>				
State	Per diem compensation for committee or official business	Travel allowance (cents per mile)	Per diem living expenses	Other direct payments or services to legislators
Isle of Man .....	...	...	...	...
North Carolina ..	\$11	21	\$73 (V)	...
North Dakota .....	\$79	20.5	\$21 (plus tax) for lodging (V); \$16 for meals (V)	...
Wisconsin .....	...	21	\$77 in-state (U); \$77 for meals and related expenses and actual cost for lodging and airfare (V)	\$325/m home office expense allowance (U)
Montana .....	...	21(0)	\$70 (V)	...
Texas .....	\$65	21	\$21 subsistence allowance on committee days; \$40 lodging allowance if meeting is held in Salt Lake or Davis counties for legislators residing outside counties (U)	...
Connecticut .....	\$70	21	Actual expenses (U)	...
Ireland .....	\$100	21	Actual expenses (V)	\$250/m for office expenses and supplies (U)
Washington .....	\$50	21	...	\$900/q for office expenses (V)
West Virginia .....	\$500	20	\$30 for meals (U); \$40 for lodging (V)	...
Delaware .....	...	21.5	\$11 for legislators who must establish temporary residence in state capital; otherwise \$27.50 (U)	Senators receive \$75/m, representatives \$25/m for interim expenses for full calendar months in which legislators in an actual session 3 days or less
Wyoming .....	\$75	15	\$60 (V)	...
American Samoa .....	...	...	...	...
West Africa .....	(m)	(a)	...	...
Virgin Islands .....	\$30	0	...	...

LEGISLATURES

**LEGISLATIVE COMPENSATION: INTERIM PAYMENTS AND OTHER DIRECT PAYMENTS**

*Note:* Compensation as of January 1, 1978. For more information on legislative compensation, see table 3.3, "Legislative Compensation: Regular and Special Sessions."

**Key:**

(U)—Unvouchered

(V)—Vouchered

d—day

m—month

y—year

(a) For 6,000 round trip per week for interim committees. For other legislative business outside state capital, 22 cents per mile.

(b) Depends on location of permanent residence.

(c) Legislators are provided a leased vehicle gasoline credit card. Actual expenses or 15 cents per mile.

(d) See Table 3.3, "Legislative Compensation: Regular and Special Sessions" for information.

(e) For each day of authorized meetings. Plus \$7/d for each day not in session.

(f) When not in session, legislators are permitted two round trips per month at \$65/d (V).

(g) Allowance may be expended for additional staff, clerical help, office rent, printing, postage, etc.

(h) \$40 for speaker.

(i) Of total amount, maximum \$28/d for meals. Legislators may claim lodging only if meetings are scheduled on consecutive days.

(j) For travel in personally-owned automobiles. For travel in personally-owned aircraft, 40 cents per highway mile in a single-engine aircraft, 63 cents per highway mile in a twin-engine aircraft, \$1.15 per highway mile in a turbine-powered aircraft.

(k) In emergency situations, the presiding officer and the majority and minority leaders of each chamber may authorize a \$50/d lodging allowance for legislators residing in Salt Lake or Davis counties.

(l) Not to exceed \$1,500 per member or a total of \$63,000.

(m) \$72 if reside more than 50 kilometers from Capitol; otherwise \$62.

(n) 30 kilometers.

LEGISLATURES

## INTERIM COMPENSATION

### Colorado

**Salary:** \$17,500 per year  
\$70 per diem for 140 days  
\$40 per diem after 140 days

**Length of Session:** 140 days  
Annual  
Constitutional limit of 140 days on sessions in even number years

**Interim Payments:** \$75.00 for **Committee attendance**  
**Maximum allowance** of \$3,750 (50 days) except for Joint Budget, Audit Committees and legislative leadership which has a \$7,500 maximum (100 days)

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### Nevada

**Salary:** \$130 per day (no more than 60 days)

**Length of Session:** Biennial - odd year  
60 calendar days

**Interim Payments:** \$130 per day salary at **committee meetings** or meetings directed to attend by chairman;  
\$47.50 per diem for meals and lodging

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### Wyoming

**Salary:** \$75 per day

**Length of Session:** 40 days odd years  
20 days even years

**Interim Payments:** \$75 per day salary to attend committee meetings;  
\$60 per diem for meetings and for travel days

---

**Washinton**

**Salary:** \$16,500 per year  
\$70 per diem vouchered

**Length of Session:** 105 calendar days in odd years  
60 calendar days in even years

**Interim Payments:** \$900 quarterly expense payment; covers in district meetings and office expenses  
\$50 per day per diem