

**CS FOR HOUSE BILL NO. 225(STA)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/14/09

Referred: Finance

Sponsor(s): REPRESENTATIVE FAIRCLOUGH

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the State Procurement Code; relating to the procurement of  
2 supplies, services, professional services, construction services, state fisheries products,  
3 state agricultural products, state timber, and state lumber; relating to procurement  
4 preferences; relating to procurement by the office of the ombudsman, the Alaska  
5 Industrial Development and Export Authority, the Alaska Energy Authority, and other  
6 state agencies and public corporations; and providing for an effective date."

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

8 \* **Section 1.** AS 24.55.275 is amended to read:

9 **Sec. 24.55.275. Contract procedures.** The ombudsman shall adopt by  
10 regulation procedures consistent with AS 36.30 to be followed by the office of the  
11 ombudsman in contracting for services. However, the procedure for requests for  
12 proposals does not apply to contracts for investigations under AS 24.55.100, and the  
13 office of the ombudsman shall comply with **the five percent preference for bidders**

1           under AS 36.30.321(a) [AS 36.30.170(b)].

2   \* **Sec. 2.** AS 36.15.050(a) is amended to read:

3           (a) When agricultural products are purchased by the state or by a school  
4           district that receives state money, a seven percent preference shall be applied to the  
5           price of the products harvested in the state [ONLY AGRICULTURAL  
6           PRODUCTS HARVESTED IN THE STATE SHALL BE PURCHASED  
7           WHENEVER PRICED NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS  
8           HARVESTED OUTSIDE THE STATE, AVAILABLE, AND OF LIKE QUALITY  
9           COMPARED WITH AGRICULTURAL PRODUCTS HARVESTED OUTSIDE  
10          THE STATE].

11 \* **Sec. 3.** AS 36.15.050(b) is amended to read:

12          (b) When fisheries products are purchased by the state or by a school district  
13          that receives state money, a seven percent preference shall be applied to the price  
14          of the products harvested or processed within the jurisdiction of the state [ONLY  
15          FISHERIES PRODUCTS HARVESTED OR PROCESSED WITHIN THE  
16          JURISDICTION OF THE STATE SHALL BE PURCHASED WHENEVER PRICED  
17          NO MORE THAN SEVEN PERCENT ABOVE PRODUCTS HARVESTED OR  
18          PROCESSED OUTSIDE THE JURISDICTION OF THE STATE, AVAILABLE,  
19          AND OF LIKE QUALITY COMPARED WITH FISHERIES PRODUCTS  
20          HARVESTED OR PROCESSED OUTSIDE THE JURISDICTION OF THE  
21          STATE].

22 \* **Sec. 4.** AS 36.15.050 is amended by adding a new subsection to read:

23          (h) A bidder receiving a preference under this section may not receive a  
24          preference under AS 36.30.322.

25 \* **Sec. 5.** AS 36.30.015(e) is amended to read:

26          (e) The board of directors of the Alaska Railroad Corporation and the board of  
27          directors of the Alaska Aerospace Development Corporation shall adopt procedures to  
28          govern the procurement of supplies, services, professional services, and construction.  
29          The procedures must be substantially equivalent to the procedures prescribed in this  
30          chapter and in regulations adopted under this chapter. Notwithstanding the other  
31          provisions of this subsection, the Alaska Railroad Corporation and the Alaska

1 Aerospace Development Corporation shall **apply the five percent preference for**  
 2 **bidders under AS 36.30.321(a)** [COMPLY WITH AS 36.30.170(b)], and, when the  
 3 Department of Transportation and Public Facilities authorizes the Alaska Railroad  
 4 Corporation to perform construction work instead of the Department of Transportation  
 5 and Public Facilities, the Alaska Railroad Corporation shall use competitive sealed  
 6 bidding or competitive sealed proposals under AS 36.30.100 - 36.30.270 to procure  
 7 the supplies, services, professional services, and construction services necessary for  
 8 the work and, to ensure the state obtains the lowest cost for the project, may submit a  
 9 bid or proposal for the work.

10 \* **Sec. 6.** AS 36.30.015(f) is amended to read:

11 (f) The board of directors of the Alaska Housing Finance Corporation,  
 12 notwithstanding AS 18.56.088, **members of the Alaska Industrial Development and**  
 13 **Export Authority,** [AND] the board of directors of the Knik Arm Bridge and Toll  
 14 Authority under AS 19.75.111, **and the board of directors of the Alaska Energy**  
 15 **Authority under AS 44.83.080** shall adopt regulations under AS 44.62  
 16 (Administrative Procedure Act) and the board of trustees of the Alaska Retirement  
 17 Management Board shall adopt regulations under AS 37.10.240 to govern the  
 18 procurement of supplies, services, professional services, and construction for the  
 19 respective public corporation and board. The regulations must reflect competitive  
 20 bidding principles and provide vendors reasonable and equitable opportunities to  
 21 participate in the procurement process and must include procurement methods to meet  
 22 emergency and extraordinary circumstances. Notwithstanding the other provisions of  
 23 this subsection, the Alaska Housing Finance Corporation, **the Alaska Industrial**  
 24 **Development and Export Authority,** the Knik Arm Bridge and Toll Authority, **the**  
 25 **Alaska Energy Authority,** and the Alaska Retirement Management Board shall  
 26 comply with **the five percent preference for bidders under AS 36.30.321(a)**  
 27 [AS 36.30.170(b)].

28 \* **Sec. 7.** AS 36.30.015(h) is amended to read:

29 (h) The board of directors of the Alaska Seafood Marketing Institute shall  
 30 adopt procedures to govern the procurement of supplies, services, and professional  
 31 services. The procedures must be similar to the procedures prescribed in this chapter

1 and in regulations adopted under this chapter, except that the Alaska Seafood  
 2 Marketing Institute shall comply with **the five percent preference for bidders under**  
 3 **AS 36.30.321(a)** [AS 36.30.170(b)].

4 \* **Sec. 8.** AS 36.30.020 is amended to read:

5 **Sec. 36.30.020. Legislature.** The legislative council shall adopt and publish  
 6 procedures to govern the procurement of supplies, services, professional services, and  
 7 construction by the legislative branch. The procedures must be based on the  
 8 competitive principles consistent with this chapter and must be adapted to the special  
 9 needs of the legislative branch as determined by the legislative council. The  
 10 procedures must contain provisions for prohibiting procurement from a person that has  
 11 headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons  
 12 Report published by the United States Secretary of State under 22 U.S.C.  
 13 7107(b)(1)(C). The procedures may contain provisions for restricting procurement  
 14 from a person that conducts business in but does not have headquarters in a country  
 15 listed in Tier 3 of the most recent Trafficking in Persons Report published by the  
 16 United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must  
 17 be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085.  
 18 Notwithstanding the other provisions of this section, the legislative agencies subject to  
 19 the legislative council's regulations shall comply with **the five percent preference for**  
 20 **bidders under AS 36.30.321(a)** [AS 36.30.170(b)].

21 \* **Sec. 9.** AS 36.30.030 is amended to read:

22 **Sec. 36.30.030. Court system.** The administrative director of courts shall  
 23 adopt and publish procedures to govern the procurement of supplies, services,  
 24 professional services, and construction by the judicial branch. The procedures must be  
 25 based on the competitive principles consistent with this chapter and must be adapted to  
 26 the special needs of the judicial branch as determined by the administrative director of  
 27 courts. The procedures must contain provisions for prohibiting procurement from a  
 28 person that has headquarters in a country listed in Tier 3 of the most recent Trafficking  
 29 in Persons Report published by the United States Secretary of State under 22 U.S.C.  
 30 7107(b)(1)(C). The procedures may contain provisions for restricting procurement  
 31 from a person that conducts business in but does not have headquarters in a country

1 listed in Tier 3 of the most recent Trafficking in Persons Report published by the  
 2 United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The procedures must  
 3 be consistent with the provisions of AS 36.30.080(c) - (e) and 36.30.085.  
 4 Notwithstanding the other provisions of this section, the judicial branch shall comply  
 5 with **the five percent preference for bidders under AS 36.30.321(a)**  
 6 [AS 36.30.170(b)].

7 \* **Sec. 10.** AS 36.30.080(f) is amended to read:

8 (f) When the department is acquiring leased space of **7,000** [3,000] square feet  
 9 or less, the department may procure the leased space using the procedures for small  
 10 procurements under AS 36.30.320, providing public notice is given to prospective  
 11 offerors in the market area.

12 \* **Sec. 11.** AS 36.30.110(b) is amended to read:

13 (b) The bidder **shall** [MUST] have a valid Alaska business license at the time  
 14 designated in the invitation to bid for bid opening **in order to qualify as an Alaska**  
 15 **bidder and to receive a preference under AS 36.30.321. If a bidder does not have**  
 16 **a valid Alaska business license at the time designated in the invitation to bid for**  
 17 **bid opening, the bidder shall provide proof that the bidder has a valid Alaska**  
 18 **business license before the contract may be awarded, but does not qualify for a**  
 19 **preference under AS 36.30.321.** A bidder for a construction contract shall also  
 20 submit **proof** [EVIDENCE] of the bidder's registration under AS 08.18 **before the**  
 21 **contract may be awarded.**

22 \* **Sec. 12.** AS 36.30.130(a) is amended to read:

23 (a) The procurement officer shall give adequate public notice of the invitation  
 24 to bid at least 21 days before the date for the opening of bids. If the procurement  
 25 officer determines in writing that a shorter notice period is advantageous for a  
 26 particular bid and adequate competition is anticipated, the 21-day period may be  
 27 shortened. Notice shall be posted on the Alaska Online Public Notice System  
 28 (AS 44.62.175). The time and manner of notice must be in accordance with  
 29 regulations adopted by the commissioner of administration. When practicable, notice  
 30 may include

31 (1) publication in a newspaper calculated to reach prospective bidders;

1        **and**

2                    (2) notices posted in public places within the area where the work is to  
3        be performed or the material furnished [; AND

4                    (3) NOTICES MAILED TO ALL ACTIVE PROSPECTIVE  
5        CONTRACTORS ON THE APPROPRIATE LIST MAINTAINED UNDER  
6        AS 36.30.050].

7        \* **Sec. 13.** AS 36.30.170 is repealed and reenacted to read:

8                    **Sec. 36.30.170. Contract award after bids.** After applying any preferences  
9        that apply under AS 36.15.050 and AS 36.30.321 - 36.30.338, a procurement officer  
10       shall award a contract based on the solicited bids with reasonable promptness by  
11       written notice to the lowest responsible and responsive bidder whose bid conforms in  
12       all material respects to the requirements and criteria set out in the invitation to bid.

13       \* **Sec. 14.** AS 36.30 is amended by adding a new section to article 2 to read:

14                    **Sec. 36.30.195. Multi-step revised sealed bidding.** As provided in an  
15       invitation to bid and as conducted by a procurement officer under regulations adopted  
16       by the commissioner, a multi-step process that begins with an initial round of  
17       competitive sealed bidding may, when approved by the chief procurement officer,  
18       include successive steps of sealed bidding to obtain the best and final bid price from  
19       responsible bidders for the purpose of award.

20       \* **Sec. 15.** AS 36.30.200(b) is amended to read:

21                    (b) The commissioner may provide by regulation that it is either not  
22       practicable or not advantageous to the state to procure [SPECIFIED TYPES OF]  
23       supplies, services, or construction by competitive sealed bidding that would otherwise  
24       be procured by that method. When the procurement officer determines in writing with  
25       particularity that the use of competitive sealed proposals is more advantageous to the  
26       state than competitive sealed bidding, a contract may be entered into by competitive  
27       sealed proposals.

28       \* **Sec. 16.** AS 36.30.210(b) is amended to read:

29                    (b) An offeror for a construction contract shall submit **proof** [EVIDENCE] of  
30       the offeror's registration as a contractor under AS 08.18 **before the contract may be**  
31       **awarded**. A request for sealed proposals for a construction contract, except a design-

1 build construction contract, must require the offeror, no later than five working days  
 2 after the proposal that is the most advantageous to the state is identified, to list  
 3 subcontractors the offeror proposes to use in the performance of the construction  
 4 contract. The list must include the information required under AS 36.30.115(a). The  
 5 provisions of AS 36.30.115(b) - (g) that apply to a construction contractor or an  
 6 apparent low bidder apply to offerors submitting competitive sealed proposals for  
 7 construction contracts, except design-build construction contracts.

8 \* **Sec. 17.** AS 36.30.210(e) is amended to read:

9 (e) The offeror **shall** [MUST] have a valid Alaska business license at the time  
 10 designated[,] in the request for proposals[,] for opening of the proposals **in order to**  
 11 **qualify as an Alaska bidder and to receive a preference under AS 36.30.321. If an**  
 12 **offeror does not have a valid Alaska business license at the time designated in the**  
 13 **request for proposals for proposal opening, the offeror shall provide proof that**  
 14 **the offeror has a valid Alaska business license before the contract may be**  
 15 **awarded, but does not qualify for a preference under AS 36.30.321.**

16 \* **Sec. 18.** AS 36.30 is amended by adding a new section to read:

17 **Sec. 36.30.245. Multiple submissions and negotiations.** In a procurement  
 18 that uses competitive sealed proposals, in order to obtain the best proposal for  
 19 purposes of award, an agency may require more than one submission of proposals and  
 20 may negotiate after each submission with the offerors whose proposals from that  
 21 submission are reasonably susceptible of being selected for award. The negotiations  
 22 conducted under this section may cover price, specifications, terms, or conditions or a  
 23 combination of these items, and these items may be negotiated separately or in any  
 24 combination. The submissions and negotiations allowed under this section are in  
 25 addition to any discussions and revisions allowed under AS 36.30.240. The  
 26 requirements for submissions and negotiations under this section shall be established  
 27 by the department by regulation and in the request for proposals.

28 \* **Sec. 19.** AS 36.30.250(a) is amended to read:

29 (a) The procurement officer shall award a contract under competitive sealed  
 30 proposals to the responsible and responsive offeror whose proposal is determined in  
 31 writing to be the most advantageous to the state taking into consideration price and the

1 evaluation factors set out in the request for proposals. **Except as provided by**  
 2 **AS 36.30.255 and 36.30.336, other** [OTHER] factors and criteria may not be used in  
 3 the evaluation. The contract file must contain the basis on which the award is made.

4 \* **Sec. 20.** AS 36.30 is amended by adding a new section to read:

5 **Sec. 36.30.255. Preferences applied to competitive sealed proposals.** When  
 6 determining which proposal is most advantageous to the state under a competitive  
 7 sealed proposal solicitation, the procurement officer shall apply the preferences  
 8 provided in AS 36.15.050 and AS 36.30.321 - 36.30.338, but may not apply other  
 9 preferences. The preferences shall be applied only to the price portion of a proposal.

10 \* **Sec. 21.** AS 36.30 is amended by adding a new section to article 4 to read:

11 **Sec. 36.30.290. Electronic bids.** An agency may allow bids or proposals to be  
 12 submitted in electronic form under AS 09.80.010 - 09.80.195 (Uniform Electronic  
 13 Transactions Act).

14 \* **Sec. 22.** AS 36.30.308(b) is amended to read:

15 (b) The procurement officer shall submit a procurement plan to the **chief**  
 16 **procurement officer or, for construction contracts or procurements for the state**  
 17 **equipment fleet, to the commissioner of transportation and public facilities,**  
 18 [DEPARTMENT OF LAW] for review and approval as to form before issuing the  
 19 notice required by (c) of this section.

20 \* **Sec. 23.** AS 36.30.310 is amended to read:

21 **Sec. 36.30.310. Emergency procurements.** Procurements may be made under  
 22 emergency conditions as defined in regulations adopted by the commissioner **of**  
 23 **administration** when there exists a threat to public health, welfare, or safety, when a  
 24 situation exists that makes a procurement through competitive sealed bidding or  
 25 competitive sealed proposals impracticable or contrary to the public interest, or to  
 26 protect public or private property. An emergency procurement need not be made  
 27 through competitive sealed bidding or competitive sealed proposals but shall be made  
 28 with competition that is practicable under the circumstances. A written determination  
 29 by the chief procurement officer **or, for construction contracts or procurements of**  
 30 **the state equipment fleet, the commissioner of transportation and public facilities**  
 31 of the basis for the emergency and for the selection of the particular contractor shall be



1 included in the contract file. The written determination must include findings of fact  
 2 that support the determination. Except when there is insufficient time for the chief  
 3 procurement officer **or the commissioner of transportation and public facilities, as**  
 4 **appropriate,** to make the written determination required by this section, the **authority**  
 5 **to make the determination** [CHIEF PROCUREMENT OFFICER] may not **be**  
 6 **delegated** [DELEGATE THE AUTHORITY TO MAKE THE DETERMINATION].

7 \* **Sec. 24.** AS 36.30.320(a) is amended to read:

8 (a) A procurement for supplies, services, or professional services that does not  
 9 exceed an aggregate dollar amount of **\$100,000** [\$50,000], construction that does not  
 10 exceed an aggregate dollar amount of **\$200,000** [\$100,000], or lease of space that does  
 11 not exceed **7,000** [3,000] square feet **shall** [MAY] be made **under** [IN  
 12 ACCORDANCE WITH] regulations adopted by the commissioner for small  
 13 procurements.

14 \* **Sec. 25.** AS 36.30 is amended by adding a new section to article 5 to read:

15 **Sec. 36.30.321. Alaska bidder and related preferences.** (a) If the bidder or  
 16 offeror is an Alaska bidder, a preference of five percent shall be applied to the price in  
 17 the bid or proposal.

18 (b) Except as otherwise provided under (d), (e), or (g) of this section, if a  
 19 bidder or offeror qualifies as an Alaska bidder and is offering services through an  
 20 employment program, a 15 percent preference shall be applied to the price in the bid  
 21 or proposal.

22 (c) If a bidder or offeror qualifies as an Alaska bidder and is an Alaska  
 23 domestic insurer, and if the procurement is for an insurance-related contract, a five  
 24 percent preference shall be applied to the price in the bid or proposal.

25 (d) A 10 percent preference shall be applied to a price in a bid or proposal if  
 26 the bidder or offeror qualifies as an Alaska bidder and is a

27 (1) sole proprietorship owned by a person with a disability;

28 (2) partnership under AS 32.06, or AS 32.11 if each of the partners is a  
 29 person with a disability;

30 (3) limited liability company organized under AS 10.50 if each of the  
 31 members is a person with a disability;

1 (4) corporation that is wholly owned by individuals and each of the  
2 individuals is a person with a disability; or

3 (5) a joint venture that is composed of ventures that qualify under (1) -  
4 (4) of this subsection.

5 (e) The division of vocational rehabilitation in the Department of Labor and  
6 Workforce Development shall add to its current list of qualified employment programs  
7 a list of individuals who qualify as persons with a disability under (d) of this section.  
8 A person must be on this list at the time the bid or proposal is opened in order to  
9 qualify for a preference under (d) of this section.

10 (f) If a bidder or offeror qualifies as an Alaska bidder and is a qualifying  
11 entity, a five percent preference shall be applied to the price in the bid or proposal.  
12 The preference may not exceed \$5,000. In this subsection,

13 (1) "Alaska veteran" means an individual who is both a resident of the  
14 state and a veteran;

15 (2) "qualifying entity" means a

16 (A) sole proprietorship owned by an Alaska veteran;

17 (B) partnership under AS 32.06 or AS 32.11 if a majority of the  
18 partners are Alaska veterans;

19 (C) limited liability company organized under AS 10.50 if a  
20 majority of the members are Alaska veterans; or

21 (D) corporation that is wholly owned by individuals and a  
22 majority of the individuals are Alaska veterans;

23 (3) "veteran" means an individual who

24 (A) served in the

25 (i) armed forces of the United States, including a  
26 reserve unit of the United States armed forces; or

27 (ii) Alaska Territorial Guard, the Alaska Army National  
28 Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and

29 (B) was separated from service under a condition that was not  
30 dishonorable.

31 (g) A bidder or offeror may not receive a preference under both (b) and (d) of

1 this section for the same contract.

2 (h) Except as provided by (j) of this section, this section applies to all  
3 insurance contracts involving state money. In this subsection, "state money" has the  
4 meaning given in AS 36.30.990, but also includes state grants and reimbursements to  
5 municipalities, school districts, and other entities.

6 (i) In order to qualify for a preference under (b), (d), or (f) of this section, a  
7 bidder or offeror must add value by actually performing, controlling, managing, and  
8 supervising the services provided, or the bidder or offeror must have sold supplies of  
9 the general nature solicited to other state agencies, governments, or the general public.

10 (j) This section does not apply to solicitations or contracts for lease space  
11 under AS 36.30.080, to procurements under AS 36.30.305 - 36.30.310, or, except as  
12 provided otherwise by regulation under AS 36.30.320, to small procurements under  
13 AS 36.30.320.

14 (k) In this section, "person with a disability" means an individual who

15 (1) has been determined to be permanently disabled by the

16 (A) United States Social Security Administration under 42  
17 U.S.C. 1381 - 1385 (Social Security Act) or 42 U.S.C. 423 (Social Security  
18 Act);

19 (B) the teachers' retirement system under AS 14.25, the judicial  
20 retirement system under AS 22.25, the public employees' retirement system  
21 under AS 39.35, or the elected public officers' retirement system under former  
22 AS 39.37;

23 (C) federal civil service retirement system under 5 U.S.C.  
24 2107, 3323, and 8331 - 8351;

25 (D) federal employees' retirement system under 5 U.S.C. 8401  
26 - 8479; or

27 (E) division of vocational rehabilitation in the Department of  
28 Labor and Workforce Development using disability standards under 42 U.S.C.  
29 1381 - 1385 (Social Security Act) for eligibility for certain state disability  
30 program purposes;

31 (2) is receiving permanent total disability under AS 23.30 (Alaska

1 Workers' Compensation Act);

2 (3) has been discharged from military service under honorable  
3 conditions and is certified by the United States Department of Veterans Affairs as  
4 having incurred a 50 percent or greater disability during military service; or

5 (4) has served in the Alaska Territorial Guard and incurred a 50  
6 percent or greater disability while serving in the Alaska Territorial Guard.

7 \* **Sec. 26.** AS 36.30.322(a) is amended to read:

8 (a) Only timber, lumber, and manufactured lumber products originating in this  
9 state from Alaska forests may be procured by an agency or used in construction  
10 projects of an agency unless the manufacturers and suppliers who have notified the  
11 commissioner of commerce, community, and economic development of their  
12 willingness to manufacture or supply Alaska forest products

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

15 (2) are not the low bidder after all applicable preferences have  
16 been applied to the price of the qualifying forest product under AS 36.30.336  
17 [ARE UNABLE TO SUPPLY THE PRODUCTS AT A COST THAT IS WITHIN  
18 SEVEN PERCENT OF THE PRICE OFFERED BY A MANUFACTURER OR  
19 SUPPLIER OF NON-ALASKA FOREST PRODUCTS].

20 \* **Sec. 27.** AS 36.30.336 is repealed and reenacted to read:

21 **Sec. 36.30.336. Application of preferences.** (a) Except as provided in  
22 AS 36.15.050(h) and AS 36.30.321(g), the preferences provided in AS 36.15.050 and  
23 AS 36.30.321 - 36.30.338 are cumulative. A bidder who would otherwise qualify for  
24 preferences under AS 36.30.321 may not be given a preference over another bidder  
25 who qualifies for the same preferences.

26 (b) Notwithstanding the other provisions of this chapter, AS 36.30.321 -  
27 36.30.338 apply to all procurements subject to this chapter, except as provided in  
28 AS 36.15.050 and AS 36.30.322(b).

29 \* **Sec. 28.** AS 36.30 is amended by adding a new section to read:

30 **Sec. 36.30.364. Renegotiation.** (a) The chief procurement officer may  
31 renegotiate the terms and conditions, including the contract period of performance and

1 price, of a contract without using an additional competitive process, and may amend  
2 the contract if the procurement officer determines that

3 (1) the amendment is in the best interest of the state;

4 (2) the renegotiated contract is at least as favorable to the state as the  
5 original contract; and

6 (3) the additional period of performance of the renegotiated contract  
7 does not exceed five years, or, if an innovative procurement process under  
8 AS 36.30.308 was used to procure the original contract, does not exceed the approval  
9 under AS 36.30.308(b).

10 (b) The chief procurement officer, under regulations adopted by the  
11 commissioner, may delegate the authority to make the determination under (a) of this  
12 section to a state procurement officer.

13 (c) This section does not apply to lease extensions under AS 36.30.083.

14 \* **Sec. 29.** AS 36.30.560 is amended to read:

15 **Sec. 36.30.560. Filing of a protest.** An interested party may protest the award  
16 of a contract, the proposed award of a contract, or a solicitation for supplies, services,  
17 professional services, or construction by an agency. The protest shall be filed with the  
18 procurement officer of the contracting agency in writing **within the time period**  
19 **provided in AS 36.30.565**, and include the following information:

20 (1) the name, address, and telephone number of the protester;

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

22 (3) identification of the contracting agency and the solicitation or  
23 contract at issue;

24 (4) a detailed statement of the legal and factual grounds of the protest,  
25 including copies of relevant documents; [AND]

26 (5) the form of relief requested; **and**

27 **(6) the protest filing fee required under AS 36.30.567.**

28 \* **Sec. 30.** AS 36.30.565(b) is amended to read:

29 (b) If the protester shows good cause **why the protestor did not file a protest**  
30 **by the deadline established under (a) of this section**, the procurement officer of the  
31 contracting agency may consider a filed protest that is not timely.

1 \* **Sec. 31.** AS 36.30 is amended by adding a new section to read:

2           **Sec. 36.30.567. Protest filing fee.** To file a protest under AS 36.30.560, the  
3 protester shall pay a \$250 filing fee to the agency that conducted the procurement. The  
4 filing fee shall be refunded if the protest is sustained by the procurement officer under  
5 AS 36.30.585 or if the protest is withdrawn by the protester before an appeal is filed  
6 under AS 36.30.590.

7 \* **Sec. 32.** AS 36.30 is amended by adding a new section to read:

8           **Sec. 36.30.572. Temporary delay of award.** (a) If a protest of a proposed  
9 award of a contract is filed timely under AS 36.30.565, the procurement officer may  
10 temporarily delay the award of the contract in order to make a decision under  
11 AS 36.30.580, extend the time for making the decision under AS 36.30.580, or address  
12 other circumstances that warrant temporarily delaying the award.

13           (b) Notice of a temporary delay of a contract award under (a) of this section  
14 shall be provided in writing to the protester and all other interested parties. The written  
15 notice must indicate when the temporary delay of the award will expire.

16           (c) A temporary delay of a contract award under this section does not  
17 constitute a stay of award under AS 36.30.575.

18 \* **Sec. 33.** AS 36.30.655 is amended to read:

19           **Sec. 36.30.655. List of persons debarred or suspended; removal from**  
20 **contractor lists.** The commissioner shall maintain a list of all persons debarred or  
21 suspended from consideration for the award of contracts. [THE COMMISSIONER  
22 SHALL REMOVE A PERSON DEBARRED OR SUSPENDED FROM THE LISTS  
23 OF CONTRACTORS UNDER AS 36.30.050 FOR THE PERIOD OF DEBARMENT  
24 OR SUSPENSION.]

25 \* **Sec. 34.** AS 36.30.700 is amended to read:

26           **Sec. 36.30.700. Cooperative purchasing authorized.** A public procurement  
27 unit may [EITHER] participate in, sponsor, conduct, or administer a cooperative  
28 purchasing agreement for the procurement of supplies, services, professional services,  
29 or construction with one or more public procurement units or external procurement  
30 activities in accordance with an agreement entered into between the participants.  
31 Cooperative purchasing may include joint or multi-party contracts between public

1 procurement units and open-ended state public procurement units contracts that are  
 2 made available to local public procurement units. **A state public procurement unit**  
 3 **may use or participate in a contract procured by another public procurement**  
 4 **unit or external procurement activity without being named in the solicitation for**  
 5 **the contract.**

6 \* **Sec. 35.** AS 36.30.700 is amended by adding a new subsection to read:

7 (b) When, under AS 36.30.700 - 36.30.790, a state public procurement unit  
 8 participates with a public procurement unit or external procurement activity in  
 9 cooperative purchasing or participates in a contract procured by an external  
 10 procurement activity, the state public procurement unit is considered to have complied  
 11 with AS 36.30.005 - 36.30.540, and AS 36.15 and AS 36.30.321 - 36.30.338 do not  
 12 apply.

13 \* **Sec. 36.** AS 36.30.850(b) is amended by adding new paragraphs to read:

14 (48) contracts for lease space for an agency's offices that are located in  
 15 other states, the District of Columbia, or foreign countries;

16 (49) contracts for investigative services entered into by the department  
 17 for the state personnel board established under AS 39.25.030, the office of public  
 18 advocacy created under AS 44.21.400, or the Alaska Public Offices Commission  
 19 created under AS 15.13.020;

20 (50) purchases of commodities used in the manufacture of products  
 21 sold through an employment program of prison inmates subject to AS 23.15.580;

22 (51) contracts for training services provided by a professional  
 23 organization.

24 \* **Sec. 37.** AS 36.30.990 is amended by adding new paragraphs to read:

25 (25) "Alaska bidder" means a person who

26 (A) holds a current Alaska business license;

27 (B) submits a bid or proposal for goods, services, or  
 28 construction under the name as appearing on the person's current Alaska  
 29 business license;

30 (C) has maintained a place of business within the state staffed  
 31 by the bidder or offeror or an employee of the bidder or offeror for a period of

1 six months immediately preceding the date of the bid or proposal;

2 (D) is incorporated or qualified to do business under the laws  
3 of the state, is a sole proprietorship and the proprietor is a resident of the state,  
4 is a limited liability company organized under AS 10.50 and all members are  
5 residents of the state, or is a partnership under former AS 32.05, AS 32.06, or  
6 AS 32.11 and all partners are residents of the state; and

7 (E) if a joint venture, is composed entirely of ventures that  
8 qualify under (A) - (D) of this subsection;

9 (26) "in writing" has the meaning given to "written" in this section;

10 (27) "signature" means a manual identifier or electronic signature  
11 attached to or logically associated with a record that is intended by the person using it  
12 to have the same force and effect as a manual signature; in this paragraph, "electronic  
13 signature" has the meaning given in AS 09.80.190;

14 (28) "written" means the product of forming characters on paper, other  
15 materials, or viewable screens, that can be read, retrieved, and reproduced, including  
16 information that is electronically transmitted and stored.

17 \* **Sec. 38.** AS 36.90.049(a) is amended to read:

18 (a) A marine vessel owned by the state shall be maintained and repaired at a  
19 shipyard facility located in the state unless the commissioner of the department that  
20 operates the marine vessel determines in writing that there is no shipyard facility  
21 located in the state that is equipped or qualified to perform the particular maintenance  
22 or repair required, or, after taking into consideration the **five percent** Alaska bidder  
23 preference **for bidders under AS 36.30.321(a)** [SET OUT IN AS 36.30.170] and the  
24 interport differential, that the proposed cost of the maintenance or repair work is  
25 unreasonable. A detailed list of the costs and factors considered in calculating the  
26 interport differential must be provided to each person who expresses an interest in  
27 submitting a bid to perform maintenance or repair work on a marine vessel owned by  
28 the state.

29 \* **Sec. 39.** AS 38.35.017(a) is amended to read:

30 (a) Consistent with and in furtherance of the statements of general state policy  
31 guiding resource development set out in art. VIII, sec. 1, Constitution of the State of



1 Alaska, that the resources of the state be developed "by making them available for  
 2 maximum use consistent with the public interest" and in art. VIII, sec. 2, Constitution  
 3 of the State of Alaska, directing that provision shall be made by the legislature for "the  
 4 utilization, development, and conservation of all natural resources belonging to the  
 5 State . . . for the maximum benefit of its people," and consistent with and in  
 6 furtherance of the general legislative declaration of policy for this chapter set out in  
 7 AS 38.35.010, it is the policy of this state that the overall strategy for development,  
 8 use, and control of a pipeline or pipelines to develop the state's substantial North Slope  
 9 natural gas resources be directed

10 (1) to enhance the standard of living of state residents by

11 (A) ensuring that, in conjunction with out-of-state market  
 12 driven commercial demand for North Slope natural gas, state residents and  
 13 businesses will have access, directly or indirectly, to that portion of the gas that  
 14 will meet the reasonably foreseeable in-state demands for it, including  
 15 substitution of the North Slope natural gas for depleting gas reserves in  
 16 Southcentral Alaska in order to maintain a vital domestic and industrial energy  
 17 source, and ensuring that the pipeline or pipelines for the transportation of  
 18 North Slope natural gas will be designed and located to be responsive to these  
 19 requirements;

20 (B) making the maximum contribution to the development of  
 21 job opportunities in this state by

22 (i) providing direct short-term construction and long-  
 23 term operation- and maintenance-related employment on the pipeline or  
 24 pipelines, to the end that the resources be developed with qualified  
 25 contractors and firms in this state for work to be performed, including  
 26 the fabrication and installation of required facilities, and that state  
 27 residents be employed, consistent with law; for purposes of this sub-  
 28 subparagraph, a person is considered a resident if the person is  
 29 physically present in the state with the intent to remain in the state  
 30 indefinitely and has a home in the state, and a contractor or firm is  
 31 considered as qualified if the contractor or firm qualifies as an Alaska

1 bidder; in this sub-subparagraph, "Alaska bidder" has the meaning  
 2 given in AS 36.30.990 [UNDER AS 36.30.170(b)]; and

3 (ii) providing necessary support services; and

4 (C) adding significant long-term property value to the tax base  
 5 of the state and local governments, thereby providing the means to support  
 6 public education, public health, transportation, and other essential state and  
 7 local government projects and services;

8 (2) to ensure that the design, location, and construction of a pipeline or  
 9 pipelines for delivery of North Slope natural gas to North American markets through  
 10 connection to the North American natural gas pipeline network enhance opportunities  
 11 for implementing gas deliveries using alternative technologies and the construction of  
 12 other pipelines to deliver North Slope natural gas to foreign and domestic markets; and

13 (3) to ensure construction of the pipeline or pipelines consistent with  
 14 careful protection of the state's natural environment, with minimum environmental  
 15 degradation, to the greatest extent possible, and with protection of fish, wildlife, and  
 16 biotic resources for the use of persons who depend upon them by using available  
 17 transportation infrastructure to initiate and complete project construction and  
 18 maintenance and by avoiding duplication of facilities.

19 \* **Sec. 40.** AS 44.62.310(d) is amended to read:

20 (d) This section does not apply to

21 (1) a governmental body performing a judicial or quasi-judicial  
 22 function when holding a meeting solely to make a decision in an adjudicatory  
 23 proceeding;

24 (2) juries;

25 (3) parole or pardon boards;

26 (4) meetings of a hospital medical staff;

27 (5) meetings of the governmental body or any committee of a hospital  
 28 when holding a meeting solely to act upon matters of professional qualifications,  
 29 privileges, or discipline;

30 (6) staff meetings or other gatherings of the employees of a public  
 31 entity, including meetings of an employee group established by policy of the Board of

1 Regents of the University of Alaska or held while acting in an advisory capacity to the  
2 Board of Regents; [OR]

3 (7) meetings held for the purpose of participating in or attending a  
4 gathering of a national, state, or regional organization of which the public entity,  
5 governmental body, or member of the governmental body is a member, but only if no  
6 action is taken and no business of the governmental body is conducted at the  
7 meetings; or

8 **(8) meetings with offerors in negotiations for state procurement**  
9 **under AS 36.30.245, or meetings to renegotiate a contract under AS 36.30.364.**

10 \* **Sec. 41.** AS 44.88.085(a) is amended to read:

11 (a) Except for AS 44.62.310 and 44.62.312 regarding public meetings **and**  
12 **AS 36.30.015(f) regarding procurement**, the provisions of the Administrative  
13 Procedure Act regarding the adoption of regulations (AS 44.62.040 - 44.62.320) do  
14 not apply to the authority. The authority shall make available to members of the public  
15 copies of the regulations adopted under this section. Within 45 days after adoption of a  
16 regulation under this section, the **chair** [CHAIRMAN] of the authority shall submit  
17 the regulation adopted to the **chair** [CHAIRMAN] of the Administrative Regulation  
18 Review Committee under AS 24.20.400 - 24.20.460.

19 \* **Sec. 42.** AS 36.30.050, 36.30.250(b), 36.30.335, and 36.30.362 are repealed.

20 \* **Sec. 43.** The uncodified law of the State of Alaska is amended by adding a new section to  
21 read:

22 TRANSITION: PENDING SOLICITATIONS FOR PROCUREMENTS AND  
23 CONTRACTS. (a) This Act does not apply to

24 (1) solicitations for procurement and the resulting contracts, if the solicitations  
25 are pending on the effective date of this Act and if the invitation to bid or other solicitation  
26 was issued before the effective date of this Act; and

27 (2) procurement contracts entered into before the effective date of this Act,  
28 including extensions of those contracts.

29 (b) Notwithstanding (a) of this section, this Act applies to procurements or contracts  
30 described in (a)(1) of this section if all parties to the procurement or contract agree in writing  
31 that the applicable provisions of this Act apply to the solicitation or contract.

1     \* **Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to  
2 read:

3           TRANSITION: INFORMATION IN BIENNIAL REPORTS. In addition to the  
4 information that must be included in the biennial report under AS 36.30.540, the Department  
5 of Administration shall include in the two successive biennial reports that are prepared under  
6 AS 36.30.540 after the effective date of this Act information on the savings that have been  
7 achieved during the reporting period by using AS 36.30.195, enacted by sec. 14 of this Act,  
8 and AS 36.30.364, enacted by sec. 28 of this Act.

9     \* **Sec. 45.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11           REVISOR'S INSTRUCTION. The revisor of statutes shall change the catch line of  
12 AS 36.30.360 from "Determination of responsibility" to "Determination of nonresponsibility."

13     \* **Sec. 46.** This Act takes effect immediately under AS 01.10.070(c).