Division of General Services

Department of Administration

Procurement Information Messages Manual

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Department of Administration
Division of General Services
(907) 465-2250

Rev. 12/05

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Procurement Information Message # 1 **January 1990**
Division of General Services **Juneau 465-2250**

PROCUREMENT INFORMATION MESSAGES

The Division of General Services (DGS) will issue a series of Procurement Information Messages (PIMS). The PIMS Manual will be used by DGS and apply to all agencies operating under the Department of Administration's delegated purchasing authority. Each PIM will cover a separate topic based on agency interest or our choice. The purpose of these messages is to provide new information, policies and procedures regarding procurements conducted under DOA's authority. However, they are not intended to be replacements or substitutes for AS 36.30., 2 AAC 12 and Chapters 8100 and 8200 of the Administrative Manual.

The PIMs will be numbered in the upper left hand corner beginning with No. 1. This will allow you to see if you have all messages and allow us to replace any which have become obsolete. If, for some reason, we find a subtopic which is more appropriately attached to another topic than given its own number, it will be given a number and letter designation.

Suggestions for topics should be forwarded to:

General Services
POB 110210
Juneau, AK. 99811-0210
MS 0210

Procurement Information Message #2 **January 1989**
Division of General Services **Juneau 465-2250**

VENDOR PERFORMANCE

We receive occasional agency comments regarding poor performance by vendors. This will only attempt to briefly discuss delivery non-performance.

When the State accepts a bid and issues a purchase document (PO, DO, etc.) a contract exists. A vendor has agreed to sell us a specific product, at a specified price delivered by a specified time and place. The agency receiving the product has the responsibility to assure the item delivered meets the requirements of the procurement contract. If the vendor does not meet one or more of the conditions, the contract has been breached.

If the item delivered does not meet requirements of the procurement document, we have a number of options. In effect, the vendor is now making a counter offer, i.e., you asked for product A; you are offered
B, where B could be a different product or simply the same product delivered at a different time or place or price. The easiest way to handle the situation is to accept the counter offer. If you do, you should assure you have not paid a premium for something we did not get, e.g., expedited delivery. A second option would be to make your own counter offer, i.e., accept late delivery at a reduced price. The important points to remember are: we do not have to accept less than what we ordered; and we are entitled to be made well for damages caused by the seller's failure to perform.

Typical example: An agency orders product P from vendor V to be delivered July 1, 1989. On July 2, 1989, product has not arrived. A call to V revels that delivery will not take place soon. The agency has the right to secure P from another source and charge A the difference in cost including extra costs incurred by the agency such as air freight or long distance calls. There are variations on the example. V might be able to deliver by July 7 and another source could not deliver sooner. Delivery by V may then be the easiest approach, but we would still be entitled to quantifiable damages, i.e., we have incentive to compensate us for damages because they may be considered nonresponsive for future bids or may be suspended or debarred from doing business with the State if they do not.

If you have a situation in which performance is critical, you should not feel compelled to wait until a contractor has failed to perform before you begin to look into the possibility of default.

If you have a specific example of nonperformance or anticipated nonperformance you would like to discuss, you should contact your Assistant Attorney General or the State CPO (465-2250). There is more information on the subject in Alaska Statue 45.02.711-45.02.721.

Performance in a service contract will be discussed later.

Procurement Information Message #3 **March 1990**
Division of General Services **Juneau 465-2250**

ADMINISTRATIVE CODE CHANGES, 1990

Revisions to the Administrative Code 2 AAC 12, which will implement various changes to the Procurement Code, will become effective March 30, 1990.

All Administrative Services Directors and Supply Officers will be provided a summary of the changes to the regulations. An updated printing of a complete 2 AAC 12 will be available from General Services and Supply - Forms Management as soon as the final version is printed by the Michie Company.

Revised agency purchasing delegations can be expected before the new regulations become effective. The delegations will grant agency Commissioners revised authorities consistent with the revisions to statute and regulation.

Highlights of the regulation revisions include:

* it will no longer be necessary to seek competitive sealed bids for procurements of supplies and services less than $10,000

* determinations for sole source, limited competition, and class B emergency alternative procurements for small procurements of supplies and services, other than professional services, will be delegated to the Commissioner of your agency

* a formal Request for Quotations procedure will be established for the procurement of supplies and services which are in excess of $5,000

* reasonable and adequate competition required for small purchases will be increased from $500 to $1,000

* the requirement for the use of Requests for Alternate Procurement for purchases of supplies less than $5,000 has effectively been eliminated

* procurement of telephone systems, maintenance, oil, and hazardous material clean up may now be done through competitive sealed proposal without seeking approval from the Department of Administration.

Procurement Information Message #4 **March 1990**
Division of General Services **Juneau 465-2250**

PROCUREMENT QUESTIONS AND ANSWERS

Recent changes in the procurement regulations and the Administrative Manual have raised several questions. These questions and answers are for your benefit. If you have questions which aren't answered, please call or write us and we'll get answers for you.

QUESTION: Is a Notice of Intent to Award required for small procurements of supplies and services over $5,000 and under $10,000 which are solicited through the Request for Quotation (RFQ) process?

ANSWER: No. The Intent to Award form is required by AS 36.30.365 for competitive sealed bids and competitive sealed proposals. It is not required for sole source, limited competition, emergency, or small procurements. Even though an Intent to Award is not required, a vendor may still protest the award.

QUESTION: If a small procurement of supplies award is made for under $10,000, but prior to issuing the Delivery Order the contracting agency needs to add some peripheral equipment which they have no quote on, can they add the price of the peripheral equipment to the award?

ANSWER: Yes. Section 81.250 of the Administrative Manual permits unanticipated amendments to small procurement contracts for supplies and services of up to $11,000 in total. As long as an amendment to the
contract does not cause the total to exceed $11,000, the peripheral equipment can be added.

QUESTION: Is an Alaska business license required in order for a quote on a small procurement to be responsive?

ANSWER: No. The Alaska business license is required by statute only for competitive sealed bids and competitive sealed proposals. It's not mandatory for small procurements including the RFQ ($5,000-10,000). The Administrative Manual requires quotations be sought from Alaska vendors when practical. The 5% Alaska bidders preference and Alaska product preferences apply to all small procurements. As a result, an Alaska business license is needed if a quote is to receive the 5% Alaska bidders preference. Quotes can be considered with or without an Alaska business license. If there is even one vendor eligible for the Alaska bidders preference, the preference must be applied before awarding.

QUESTION: Are all businesses in the state entitled to the Alaska bidders preference?

ANSWER: No. AS 36.30.170(b) requires the bidder to meet four specific criteria before receiving the Alaska bidders preference. If you're unsure of the criteria, consult the statute cite. It’s fairly short and to the point.

QUESTION: Prior to ordering a printing product from the Contract Award Manual does Central Duplication have to sign off on the order?

ANSWER: No. Central Duplication has previously approved the work in the Contract Awards. The Contract Award is mandatory for use by all agencies unless the contract states otherwise. Other executive branch printing work must be sent to Administration's Central Duplication Shop except in the Fairbanks area. Work may not be sent to other commercial or legislative shops unless signed off by Central Duplication.

QUESTION: Are Request for Alternate Procurement forms required for small procurements under $5,000 when there is an emergency, sole source, or limited competition circumstance?

ANSWER: No. A memo to the file signed by an authorized Director in advance of the purchase which explains why it is not practical to obtain three quotes is all that is necessary for small procurements of supplies and services under $5,000.

QUESTION: Can an agency procure telephone systems through competitive sealed proposals without seeking approval from the Division of Telecommunications in the Department of Administration?

ANSWER: No. Procurement of telephone systems do not require General Services and Supply approval, but must be approved in advance by the Division of Telecommunications.
Page 2, PIM 4

QUESTION: When preparing a Request for Alternate Procurement or an Authority to Seek Professional Services is the total estimated amount of the contract the cost of just the firm term or does it include the estimated value of anticipated amendments such as renewal options?

ANSWER: The total cost of the contract includes the anticipated amendments. For example, a professional service contract that has a firm term value of $20,000 per year with two optional renewals has a total estimated value of $60,000:

Firm Term 1 Year	$20,000
First Optional Renewal	$20,000
Second Optional Renewal	$20,000
Total Value of Contract	$60,000

This professional services procurement would require a competitive sealed proposal. It is not a small procurement because the total anticipated cost exceeds $25,000.

QUESTION: Is postage and express mail subject to exemption from competitive requirements under the Procurement Code (AS 36.30.850(c) for contracts between the State and other governments?

ANSWER: Yes and No. Postage purchased directly from the United States Postal Service, including express mail, is considered to be a contract between the State and the federal government and is exempt from the competitive requirements of the Procurement Code. Postage purchased from a private company that owns the postage meter (i e: a check made out to a private firm, not the U.S. Postal Service), is subject to the competitive requirements of the Procurement Code and may require competition, a determination that quotes are impractical, or a Request for Alternate Procurement.

If you have more questions, feel free to call General Services and Supply at 465-2250 or write us at P.O. Box 110210-MS#0210, Juneau, AK, 99811-0210.

Procurement Information Message #5 **July 1990**
Division of General Services **Juneau 465-2250**

PROCUREMENT CODE CHANGES, 1990

Several bills passed in the last legislative session will become law and may affect procurements you make. This provides a brief overview of laws and exact changes which occurred in the Procurement Code (AS 36.30). An updated version of the Procurement Code will be available for a nominal fee from Forms Management, General Services and Supply, after August 15.

HB 481: * Changed AS 44.68.110 regarding disposition of obsolete or surplus State Property - now includes recyclable property.

* Added AS 36.30.339 which provides a preference for recycled paper products and requires establishment of standards for qualification as a recycled product. The State proposes following EPA current guidelines of 50% minimum recycled content for letterhead bond paper and calling cards for the interim. New recycled paper standards are currently under development by ASTM.

SB 75: * Added requirements to compile and maintain a list of the publications produced each fiscal year, and to establish standards for the production of publications designed to promote simplicity, low cost, consistency, and maximum use of State operated production facilities. It also defines publications as a written document, including books, brochures, flyers, manuals, newsletters, pamphlets, programs, reports, and similar documents, but excludes standard forms, letterhead stationary, envelopes, ballots, construction plans and specifications, location and design study reports. The Commissioner of Administration is establishing a task force to recommend printing standards for State agencies. This law becomes effective on September 12, 1990.

FOLLOWING ARE CHANGES RESULTING FROM HB123, HB411, HB481, SB108, SB399, and SB427, effective immediately, 7/1/90.

AS 36.30.015 EXECUTIVE BRANCH AGENCIES.
(a) The commissioner of transportation and public facilities may delegate to another agency the authority to contract for construction. Before delegating authority to an agency under this subsection, the commissioner of transportation and public facilities shall make a written determination that the agency is capable of implementing the delegated authority. Notwithstanding delegation of authority under this subsection, contracts for construction are governed by this chapter and regulations adopted by the commissioner of administration under this chapter.

(b) The commissioner of administration may delegate to an agency the authority to contract for and manage services, professional services, and supplies. Notwithstanding delegation of authority under this subsection, an agency's exercise of the authority is governed by this chapter and regulations adopted by the commissioner under this chapter. Before delegating authority to an agency under this subsection, the commissioner shall make a written determination that the agency is capable of implementing the delegated authority.

(c) The commissioner of administration may not delegate the authority to dispose of supplies.

Procurement Information Message #6 **September 1991**
Division of General Services **Juneau 465-2250**

CONTRACT AWARD MANUALS

The Contract Award Manual (CAM) is a list of contracts for supplies and services available for use by State agencies. The contracts range from paper to bakery products to record storage services. Agencies must use the contracts when purchasing items listed on them unless otherwise indicated. Purchases made from the CAM do not require prior approval or processing by General Services (GS).

GS publishes and updates the CAM. Each department's Supply Officer receives one manual and a set of amendments free of charge. Additional manuals may be ordered for $40.00 through GS and are paid for via departmental coding when they are duplicated at Quick Copy.

GS distributes amendments to the CAM monthly. These amendments notify manual users about new contracts and changes to contracts or prices. To receive amendments, a yearly subscription fee of $25.00 is required.

GS will establish new contract awards for additional common use or repetitive purchase items upon request. If you need a contract award for items not included in the manual, please send a Purchase Requisition to GS and furnish the following information:

* the estimated annual requirements,
* delivery location,
* a complete description of each item, and
* the terms of delivery which will meet your needs.

If you have questions regarding adding a supply or service to the manual, contact GS' Contracting /Facilities Supervisor in Juneau at 465-2250 or Anchorage at 276-3320.

If you have any questions regarding the manual, wish to order a CAM or be placed on the amendment distribution list, contact Kaylee Landingham or Tricia Cunningham-Young at 465-2250.

Procurement Information Message #7 **September 1991**
Division of General Services **Juneau 465-2250**

PURCHASING FORMS AND PUBLICATIONS

Our offices use a tremendous amount of forms and other publications which are subject to revision. After the forms or publications are revised or become stale you may now:

recycle,
use the back side for scratch paper,
have Central Duplication make scratch tablets out of the paper, or
dispose of them.

The best approach is not to over order to begin with.

If we order too many documents, they accumulate and eventually may be thrown away or, at best, recycled. This is a waste of resources and money.

The consequences of over ordering forms or publications continues from the birth of a form or publication to its final disposition. At the same time, the cost of re-ordering a reprint may exceed the cost of an excess supply. Our printing purchasers can help you with your determinations.

When ordering forms or publications which are subject to revision, carefully consider the quantity you need.

Keep historical records of your use,
determine when the next revision may occur,
consider requesting a term contract for recurring needs, and
determine an economic order quantity and order only what you
will conservatively need to use in the foreseeable future.

Procurement Information Message #8 **December 1991**
Division of General Services **Juneau 465-2250**

TOTAL COST AND COMMON SENSE

When we spend the public's money we should spend it intelligently. You may have heard terms like total and life cycle costs. When we are issuing an Invitation to Bid we may consider any objectively measureable criteria. Life cycle criteria can include purchase cost, operating cost, delivery cost, expected life and salvage value. There may be other costs which could be added for consideration. When making
small purchases you may also consider the other costs of a purchase. We occasionally will get questions such as:

Q: "What do I do when a vendor always gives us the low quote but we have to drive all the way to town to pick up the item and the price is pennies cheaper? If we buy it from vendor B they will install it, but we will have to get our own electrician if we use vendor C."

A: In the first example you could ask for the item delivered, include the cost of a courier, or consider $.30 a mile and estimate personnel time when deciding who is actually the low bidder.

In the second example a Request for Quotes or an Invitation to Bid could include delivery, installation and removal of the old item and delivery of the old item to Surplus Property, some other agency or the land fill.

When you are comparing prices to select the low responsive bidder, you may include or consider any reasonable, objectively measurable cost.

RECYCLED TONER CARTRIDGES

There are Alaska firms that refill printer toner cartridges at considerable savings over the cost of new cartridges. Some printer manufacturers will void their warranty if toner cartridges other than original equipment manufacturer (OEM) cartridges are used. A reasonable approach would be to use OEM cartridges while the printer is on warranty and save the empties. When the warranty expires, have the empties refilled.

Procurement Information Message #9 **Month Year**
Division of General Services **Juneau 465-2250**

CONTRACTS

We have established term contracts to meet agency needs for supplies and services at good prices and reasonable convenience. Since we try to balance convenience and cost we may not have the best possible prices or the most convenient terms. Our car rental prices could be less expensive if we accepted an off-airport contractor. Our office supplies could be more expensive if we required quicker delivery.

By offering to do a specific amount of business with a vendor we use the State's buying power to assure we get good prices. Pricing is better when we offer to purchase more of an item, when there are fewer variables and when pricing for the item fluctuates little. Contracts generally allow agencies to avoid the paperwork and time involved with seeking quotations or issuing Invitations to Bid (ITBs).

We can establish contracts ranging from statewide to ones for a single agency. Suggestions for contracts come from two main sources. The Purchasing Agents suggest them after they have issued a number of ITBs for the same item. Agencies suggest specific contracts when they believe a contract will save them time or money. Statewide contracts are set up to meet the average needs of most agencies. It is also
possible to set up a contract to meet the very specific needs of one agency. Requests for single agency contracts usually come from the agency which may benefit from the contract.

If you think a contract will help you save time or money, contact the Contracting & Facilities Supervisor in Juneau at 465-2250 or in Anchorage at 276-3320 with your suggestions.

Agencies may also set up contracts if expected purchases over the life of the contract are within their purchasing authorities. If you have never done one, ask us for suggestions.

Procurement Information Message #10 **November 1992**
Division of General Services **Juneau 465-2250**

PREPLANNING & EMERGENCY PURCHASES

The main goal of Central Purchasing in General Services is to assist agencies in achieving their missions by procuring supplies and services in a timely economical manner. To achieve this goal a certain amount of pre-planning is required.

We receive many requests from agencies to make procurements under emergency type B conditions. In some cases, the emergency nature of these purchases is a direct result of a lack of planning. While we realize that situations sometimes arise that make procurement of supplies or services via regular competitive means impracticable or contrary to the public interest, it is the duty of State procurement personnel to avoid the use of noncompetitive procurements to the greatest extent possible.

When evaluating the validity of claims of emergency conditions, we must consider the cause of the emergency. While emergency conditions which are a direct result of poor planning or a lack of planning do not necessarily invalidate a claim of emergency, such circumstances make the determinations required of General Services difficult.

In an attempt to reduce the number of emergency procurements, we are in the process of updating our tickler files to give agencies more advance notice when those agreements expire. However, there is little
we can do to avoid the majority of emergency requests we receive. It is incumbent upon agency procurement personnel to take amore active role in the planning process and to allow sufficient lead time for their purchases. Please keep in mind that the current average time from receipt of Purchase Requisition (PR) to award for procurements requiring formal bids is just over 100 days. The current average time required to award an office space lease is 318 days from the date we receive your PR. The use of emergency procurement methods may seem expedient given these long lead times, however, emergency contracts are almost always more costly than contracts established under full competition.

EMERGENCY B RAPs

To assist General Services personnel in their evaluation of emergency type B Requests for Alternate Procurement (RAP), we request that agencies routinely include in their justifications the impact to their program should the RAP be denied. While not the determining factor in our evaluations, this information should help us understand the urgency of the requests. In all cases, a RAP justifying emergency type B conditions must address the requirements set out in AS 36.30.310 and 2 AAC 12.440. In particular, the RAP must address why procurement through competitive sealed bidding or competitive sealed proposals is impractical or contrary to the public interest.

Procurement Information Message #11 **November 1992**
Division of General Services **Juneau 465-2250**

PROFESSIONAL SERVICES DETERMINATIONS

Various written determinations must be made when preparing and issuing Requests for Proposals (RFPs) and when awarding contracts using the competitive sealed proposal (CSP) process. These determinations must be made in accordance with statute, regulations and the Alaska Administrative Manual.

In an attempt to assist agencies in making these determinations, General Services has developed a guide listing all routine determinations necessary in the RFP/CSP process. We hope this document will be useful as a checklist to ensure that necessary determinations are made for each procurement using the CSP process.

Anyone interested in obtaining the determinations guide may contact Tricia Cunningham-Young at 465-2250 to request a copy. A copy is also available on the General Services Bulletin Board which can be reached at 465-3352. For information about accessing the bulletin board, please contact John Monagle at 465-2250.

Procurement Information Message #12 **November 1992**
Division of General Services **Juneau 465-2250**

GENERAL SERVICES INFORMATION

The Division of General Services distributes a variety of printed information to State agencies and the public on a periodic basis. Many of these documents are sizeable, with only certain portions being of interest to any one particular customer. Those portions vary from customer to customer. Some of this information is essential to the business of our customers and therefore must be available in its most recent version.

As a service to State agencies and the public, General Services has created a Bulletin Board System (BBS) for on-line electronic distribution of this information. The BBS is simple, involving only on-line browsing, messaging and copying of files through an asynchronous modem dial-up session.

You may choose those documents which are of most interest to you and get a copy within minutes. Purchasing officers and administrators may use the BBS as an alternative to the mainframe or the mail to
send us information or as a clearing house of technical information such as successful RFPs, small procurements or specifications.

Files available from General Services' Bulletin Board System (GSBBS)!
(Compressed documents use EXCEL, WP 5.1 or ASCII formats)
(Files created by General Services have a validation tagline)

CONTRACT AWARDS

Contract Award Manual - Each section of the CA Manual w/Index
Micro Award Contract - The Micro Computer Catalog

OPERATINGÿPROCEDURES

Statutes - Updated and Complete Copy of AS 36.30
Regulations - Updated and Complete Copy of 2 AAC 12
Administrative Manual - Sections 81 and 82
Delegations; General - Commissioner's Memo to Each Department
Delegations; Specific - Commissioner's Memo for a Specific Commodity

DOCUMENTS

Standard Specifications - Boilerplate and Specs for RFPs/Bids
Solicitation Shells - Sample RFPs/ITBs & Standard Language
Forms - Forms Catalog and Some Statewide Forms
CSP Determination guide - Guide for Competitive Sealed Proposals

TRAINING

Opportunities - Upcoming Classes, Seminars, Conferences
Certifications - NIGP, NAPM and Reference Info for ADA
Lists of materials - Videos, Audio cassettes, Books, Matrix

For questions, a copy of the BBS manual or suggestions about the BBS service, please call Tricia Cunningham-Young @ 465-2250.

Procurement Information Message #13 **December 1992**
Division of General Services **Juneau 465-2250**

SUPPLIES AND SERVICES / PROFESSIONAL SERVICES MATRICES

The Division of General Services has developed supplies and services and professional services matrices designed to assist agency personnel in determining appropriate levels of competition, forms usage, public notice and record keeping requirements when purchasing supplies, services and professional services.

The supplies and services matrix is intended as a quick reference guide when considering the purchase of goods and non-professional services within your departments's delegated purchasing authority. More detailed information regarding such procurements can be found in AS 36.30.320, 2 AAC 12.400 and AAM 81 and 82.

The professional services matrix is intended as a summary for those responsible for the solicitation and administration of their agency's professional services contracts. AAM 82.020 defines professional services as any professional, technical or consultant services predominantly intellectual in character. They include recommendation and result in the production of a report or completion of a task. Additional information regarding the solicitation and administration of professional services contracts is located in AS 36.30.200, 2 AAC 12.215 and AAM 82.

Laminated, three hole punched matrices are available from the forms warehouse and can be requested on a forms stock release. Order for #02-088 for the Supplies and Services Matrix ($3.00 each) and #02-088A for Professional Services Matrix ($1.50 each).

Procurement Information Message #14 **July 1993**
Division of General Services **Juneau 465-2250**

REQUEST FOR QUOTE TIPS

The process of obtaining written quotes can turn into a legal nightmare. All or much of what is said, whether verbal or written, is a material part of the process. In other words, everyone involved in the purchasing process is responsible for their actions, whether it is a request for quotes or an invitation to bid.

The goal of the request for quotes or competitive bidding process is a fair and competitive process that results in the purchase of goods and or services at the best price. In order to accomplish this, all offerors must be treated equally and fairly . They must have the same information disclosed promptly to them. And the method of award evaluation must be the same for all offerors.

DON'T:
give one or some offerors additional or advance information;
let vendors write your agency's specifications;
let offerors conduct your agency's technical evaluation;
let offerors change their prices after closing date and time;
tell them other offeror's prices before the closing date and time;
negotiate price and terms with offerors;
verbally state displeasure with an offeror; or
verbally state displeasure with a product.

The competitive quote process begins with the gathering of information that will be used by your agency to identify needs, write specifications and requirements. The end result is a purchase of goods or services that meets your agency's need. Remember awarded contractors are not required to provide goods or services that have not been disclosed in the request for quote document.

DO:
use the Request for Quotation (form #02-110) for quotes over
$5,000 as required by the Administrative Manual;
obtain at least three written quotes for purchases over $5,000;
write general specifications or use alternate brands;
include all product and contractor requirements in the request
for quotation document;
include terms and conditions;
clearly state the method of award, and do not change it after closing;
process all request for changes fairly and promptly; and
apply Alaska bidders preference and other applicable preferences.

Remember, as your agency's representative, you are responsible for your actions from the start through the award process. What you tell vendors, potential offerors, competing offerors or the awarded contractor could come back to haunt you and your agency. The most innocent comment or action may be construed as a form of favoritism or discrimination.

The request for quotation process is a professional business relationship that is legally binding; not a friendly transaction.

Based on an article from The Purchasing Digest, Issue #3, November, 1992

ELECTRONIC INFORMATION: FAST, ACCURATE AND EASY TO OBTAIN

The Division of General Services distributes a variety of information to State agencies and the public on a periodic basis. Most, if not all, of the documents are available on the States' mainframe (SYSM: E-Mail) or on General Services' Bulletin Board System (BBS) (465-3352).

The most widely used document may well be the Contract Award Manual. The Contract Award Manual is a cooperative resource tool for many government entities. In an effort to streamline the cumbersome process of updating the Manual, as well as reduce costs and increase efficiency, the Division of General Services has converted to an electronic distribution system as of July 1, 1993. This conversion will improve the service the Division offers to agencies by:

eliminating the fee for the Contract Award Manual,
providing same day updating of amendment information to all agencies,
increasing the options available to agencies for distributing amendments electronically (i.e., via electronic mail, on diskette, etc.) thus reducing copying and mailing costs, saving money, employee time and paper,
allowing agencies to perform specific search and retrieval of desired information,
providing the capacity for agencies to use their own word processing programs on the electronic files, and
eliminating the need to manually pull and insert amendment pages.

Effective July 1st, the Contract Award Manual will be available from either SYSM or General Services' BBS. These files are º updated the 15th of every month or the next available work day. This Procurement Information Message provides general information on how to access files from SYSM and General Services BBS.
For organizations with a LAN or WAN we recommend, in lieu of paper distribution to manual users, an information services employee handle the downloading of the files and then "post" read only versions according to your department's policy regarding library services.

For organizations without a network resource or an information services section, you must choose one of the two following methods to obtain the Contract Award Manual.
General Services' mission is to provide services that help you accomplish your public mission. If we can provide training, consultation or assistance that will help you, please give us a call and let us know how we can help.

ACCESSING GENERAL SERVICES' BULLETIN BOARD SYSTEM

Read INDEX.CAM to see which sections have been revised.

1. On the main menu of the Bulletin Board System, type F for files.

2. At the files menu, type L 11 for a list of the contract awards.
These files are the Contract Award Manual. Other files, such as the micro computer contracts, will also be present.

INDEX	CAM	22379	07-06-93	Index to the CA Manual by section
SEC01	EXE	49388	07-06-93	ASCII version of CA Manual; Section 1
SEC02	EXE	88328	07-06-93	" " " " " Section 2
SEC03	EXE	63972	07-06-93	" " " " " Section 3
SEC04	EXE	169481	07-06-93	" " " " " Section 4
SEC05	EXE	220029	07-06-93	" " " " " Section 5
SEC06	EXE	73433	07-06-93	" " " " " Section 6
SEC07	EXE	67329	07-06-93	" " " " " Section 7
SEC08	EXE	31650	07-06-93	" " " " " Section 8

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SEC09    EXE    31650  07-06-93  "    "      "   "  "      Section 9
SEC10    EXE    20147  07-06-93  "    "      "   "  "      Section 10
SEC11    EXE   126832  07-06-93  "    "      "   "  "      Section 11
SEC12    EXE    72667  07-06-93  "    "      "   "  "      Section 12
SEC13    EXE    69721  07-06-93  ASCII version of CA Manual; Section 13
```

3. Type D for Download.

4. At the Select Protocol? prompt type Z to get the Z)modem protocol.

5. Type in the names of the files which you wish to download separated by a space.

6. Execute the file to extract the compressed contract award files.

If you have questions or need help using SYSM, please call Kami Clark, the SYSM Administrator at 465-5771. If you have questions, would like a copy of our BBS Manual or have suggestions about our BBS service, please call Tricia Cunningham-Young at 465-2250.

ACCESSING SYSM FILES

You may download the files from the bulletin section of SYSM following the procedures determined by your particular software. These procedures are posted as download instructions on the SYSM Bulletin Board. Read INDEX.CAM to see which sections have been revised.

SYSM BULLETIN BOARD - BULLETIN REVIEW
FILE TRANSFER INSTRUCTIONS

DOWNLOADING:

FROM THE BULLETIN BOARD TO THE PC:

1) From SYSM Main Menu choose option 10: BBOARD = Bulletin Board

2) On screen 10:

SYSM BULLETIN BOARD - SUMMARY OF BBOARDS

tab down in the option (O) column to the bulletin board you want to download. (choose PURCHASING for Contract Award Manual files.)

3) Type R for Review and press <ENTER>.

4) That will open up to screen 10.1:

SYSM BULLETIN BOARD - SUMMARY OF BULLETINS.

5) Tab down in the option (O) column to the bulletin id you want to download.

Type: C for Copy then press <ENTER>.

6) This will copy the message into the SYSM OUTBASKET MESSAGE COMPOSING screen 4.1.C.

7) If it is a binary file most of the data will NOT be readable.

Binary - Type: PUT * DEL BIN and press <ENTER>
Text - Type: PUT * DEL and press <ENTER>

When *** ##### records TRANSFERRED to TS Queue "CFTR####" *** is displayed,

Type: =X and press <ENTER>

8) This returns you to the XJUEMAIL - Master Menu.

Press: PF2 or type 2 and press <ENTER> to Clear CICS Screen.

9) a. NON-WINDOWS USERS

You will have a blank screen. Toggle over to your PC session, and if necessary, change to the directory with the file transfer capability.

Binary: Type: Receive C:\yourpath\filename.exe * (binary nocrlf and press <ENTER>

Text: Type: Receive C:\yourpath\filename.exe * and press <ENTER>

b. WINDOWS USING EXTRA FOR WINDOWS

Binary Transfer

1. Click on File
2. Drag the arrow down to File Transfer
3. PC Filename type: C:\yourpath\filename.exe (specifying a path and the PC name you want to give thefile)
4. Host Filename type: *
5. Direction: Click on Receive from Host
6. Method: Click on Structured Fields
7. Environment: Click on the down arrow and select CICS
8. Session: By default the correct session will be selected session will be selected.
9. Buffer Size: 2K is the default
10. Click on: OK
11. When the file transfer is complete the screen should have displayed: TRANS03 File transfer complete
12. Type: SYSM over the "TRANS03" and press <ENTER>. This will return you to SYSM.

ASCII Transfer

1. Click on File
2. Drag the arrow down to File Transfer
3. PC Filename type: C:\yourpath\filename.exe (specifying a path and the PC name you want to give the file)
4. Host Filename type: *
5. Direction: Click on Receive from Host
6. Method: Click on Structured Fields
7. Environment: Click on the down arrow and select CICS
8. Session: By default the correct session will be selected
9. Buffer Size: 2K is the default
10. Click on: Convert EBCDIC to ANSI
11. Click on: Insert Line Ends (CR/LF)
12. Click on: OK
13. When the file transfer is complete the screen should display: TRANS03 File transfer complete
14. Type: SYSM over the "TRANS03" and press <ENTER>. This will return you to SYSM.

10) Execute the yourname.exe file you created to extract the compressed contract award files.

Procurement Information Message #16 **August 1993**
Division of General Services **Juneau 465-2250**

PROCUREMENT CODE CHANGES

Several important changes were made to the Procurement Code during the past legislative session that can affect your procurement actions. Sections of the Alaska Administrative Code, the Administrative Manual, and agency delegations of purchasing authority will be revised to reflect the changes that become effective on August 25, 1993. If you want more information on the revisions you can review Senate Bill 129, or contact the Division of General Services.

Changes you should be aware of include:

LIMITED COMPETITION RAPs

Limited competition procurements for supplies and services can now only be determined in advance by the Chief Procurement Officer (CPO). Under the old law, the Commissioner of Administration was the only procurement official authorized to make this determination. The Commissioner of Transportation and Public Facilities continues to make this determination for the procurement of construction and the State Equipment Fleet.

Requests for Alternate Procurement (RAPs) for limited competition purchases of supplies, services and professional services will still be submitted to the Division of General Services.

PROFESSIONAL SERVICE SMALL PROCUREMENTS

The determination of a limited competition or sole source procurement for small procurements of professional service contracts may now be delegated to Commissioners of agencies. Your agency's delegation of purchasing authority will be revised to reflect this change. This will standardize the way in which we handle all small procurements. Remember, Procurement Reports (form #02-115) are due to General Services for limited competition, sole source and emergency small procurement RAPs approved under agency authority.

EMERGENCY RAPs

Under the revised statute, RAPs for emergency contracts must be reviewed in advance by the CPO. Only the CPO can make a determination of the basis of the emergency and the selection of the contractor before the procurement takes place. When there is not time for the CPO to receive the information and make the determination, agencies may be delegated the authority to make the determination required by statute to protect public health, welfare or safety. Submit all emergency RAPs to General Services. A revised delegation of purchasing authority will set out authorities when there is insufficient time to obtain a CPO determination.

CHANGES IN RAP DOCUMENTATION

All RAPs will now require the CPO to independently examine and verify the material facts prior to determining whether the procurement is eligible for the procurement method requested. RAPs now must include an itemized finding of facts that can readily be reviewed and verified by the CPO. Preparers should include a listing of contacts, telephone numbers, support documentation and an itemized finding of the facts that support the statutory test for either the sole source, limited competition or emergency procurement that is proposed.

IMPACTS LIMITED TO CERTAIN DEPARTMENTS

Contracts that are performed outside the United States and require a special knowledge of the customs, procedures and laws of the foreign country in which they are to be performed are now exempt from the Procurement Code.

Contracts between the Department of Law and attorneys for review and prosecution of possible violations of the criminal law when the Attorney General concludes an actual or potential conflict of

interest makes it inappropriate for the Department of Law to handle the matter are now exempted for the requirements of the Procurement Code.

ELIMINATE CERTAIN WRITTEN DETERMINATIONS

After August 25 procurement officers are no longer required by statute to make a written determination that a cost reimbursement contract is likely to be less costly that any other type of contract under AS 36.30.370.

You should still use the contract type that will be least costly to the State. Remember, cost plus a percentage of cost contracts continue to be prohibited.

A written determination by the CPO to use a life cycle cost bid solicitation is no longer required. The change in law simply eliminated a determination, the use of a life cycle cost bid is still a very effective procurement tool that should be used whenever circumstances warrant.

LEASE EXTENSIONS AUTHORIZED

The Department of Administration was given authority to extend office leases for up to five years in return for rent concessions during a special 18 month window.

Our mission in General Services is to provide services that help you accomplish your public mission. If we can provide training, consultation, or assistance that will help you implement these changes, please give us a call and let us know how we can help.

CONTRACT AWARD MANUAL (SYSM)

The Division of General Services distributes the Contract Award Manual via SYSM, the States' mainframe E-mail and General Services' BBS (GSBBS). One of the most widely asked questions about Contract Award Manual documents is: "How can I view this document in it's original state?"

The documents in the Contract Award Manual are ASCII (DOS text CR/LF) documents with carriage returns and line feeds already in the documents.

The following example uses WordPerfect but these steps should work with most word processors.

To retain the original width (even if it's wider than the margins), select DOS (CR/LF to HRt) if you're using the pull- down menus, or Retrieve ([CR/LF to HRt]) if you're using the shortcut keys.

File Edit Search Layout Mark Tools Font Graphics Help Retrieve Shft-F10

º Save F10
TEXT IN CTRL-F5
Text Out Ctrl-F5 ³ DOS TEXT (CR/LF to HRt)
Password Ctrl-F5 ³ DOS TEXT (CR/LF to SRt)
Spreadsheet
List Files F5
Summary
Print Shft-F7
Setup Shft-F1
Go to DOS Ctrl-F1
Exit F7

After you have imported the document, you may want to change some of the default settings throughout the document. Although some documents may be ready to print, copy or view at this point, some are not. The page layout settings we have found to be useful are:

Font/Typeface: Change the font/typeface under layout to "Courier"
Point: Change the point to 9
Margins: Change the margins to .3 or 0
Paper Size: Choose Portrait (8 1/2" x 11"):
OR
Landscape (11" x 8 1/2"):

Some or all of the documents may require these changes depending on your word processor or printer capabilities. Some documents may require multiple paper size/type settings. If a document has both landscape and portrait pages, put the appropriate paper size at the beginning of each page.
For organizations with a LAN, WAN or an information services section; we recommend they handle the document preparation and distribution of the files according to your departments' policies to your manual users.

If you have questions, require assistance or have suggestions about our distribution services, please call the Division of General Services at 465-5694.

Procurement Information Message #18 **January 1994**
Division of General Services **Juneau 465-2250**

ASSIGNMENTS

As they relate to procurement and contract administration, assignments generally involve the transfer of rights, interests and obligations under a contract. Assignments are necessary to ensure that the interests of the parties of a contract are protected. Procurement regulations state that a contract or subcontract may not be transferred or otherwise assigned without the prior written consent of the Chief Procurement Officer or the head of the purchasing agency.

An assignment agreement is one that sets out the conditions under which the assignment is made. An assignment agreement should recognize and be signed by all parties to the contract. The agreement should stipulate that the transferee assumes all of the transferor's obligations under the contract and that the transferor waives any and all rights under the contract. Assignments of State contracts may not be made without the State's approval because the State must reserve the right to determine the suitability of those it does business with.

This a reminder that all contract assignments or transfers in which a successor in interest is recognized must be made in writing and must be approved in advance by the Chief Procurement Officer or the head of your agency. Please take time to read 2 AAC 12.480 and ensure that all assignments, transfers and novation agreements comply with this regulation.

If you have questions on this subject, please feel free to contact General Services at 465-2250 (Juneau) or 276-3320 (Anchorage). We would be happy to discuss the issue further or answer any questions.

Procurement Information Message #19 **January 1994**
Division of General Services **Juneau 465-2250**

REQUESTS FOR QUOTATIONS

If you are responsible for purchasing supplies or services under your agency's small procurement delegation of authority and the purchase exceeds $5,000, you must solicit written quotes.

AAM 81.170 states that written quotations must be sought on forms approved by the Department of Administration. Form #02-110, Request for Quotations, is the only form which has been approved for this purpose. If this form does not work for you for some reason, you may submit a substitute form to the Division of General Services for review. Forms will be examined to ensure they meet the State's minimum requirements.

Use of written quote forms protects the State's interests by:

- eliminating the confusion that often results from oral contracts;
- establishing important contract terms and conditions;
- establishing the firm price; and
- providing explanations of the method of award and applicability of preferences.

Please ensure that all your small procurements that exceed $5,000 are solicited using the Request for Quotation form (#02-110) or a Department of Administration approved substitute.

More information on small procurements is contained on a video tape produced by the Division of General Services. If you would like to view that tape or need advice or training on small procurements or other procurement topics, please contact Tricia Cunningham-Young at 465-5685.

Questions on quotes should be directed to General Services. Please call us at 465-2250 and we will be happy to discuss any small procurement issues or answer your questions.

Procurement Information Message #20 **February 1994**
Division of General Services **Juneau 465-2250**

WORKERS' COMPENSATION/SOFTWARE PURCHASES

WORKER'S COMPENSATION

State law requires workers' compensation insurance for all State contracts involving the use of a contractor's employees, including contracts established under small procurement authority. Personnel responsible for contract solicitation are required to obtain proof of a contractor's workers' compensation insurance coverage prior to issuance of a contract unless the contractor certifies in writing that they have no employees and will not engage employees to perform work required under the contract. We plan to revise the Request for Quotation form (#02-110) to include this information in the next printing.

For more information on the State's insurance requirements contact the Division of Risk Management at 465-2180.

SOFTWARE PURCHASES

We have learned that some State personnel believe that procurement of computer software is exempt from the competitive solicitation requirements of the Procurement Code. Procurement of computer software is not exempted from the solicitation requirements of AS 36.30 and 2 AAC 12.

Please be sure that your agency's procurements of computer software are made in accordance with applicable procurement statutes, regulations and your agency's delegation of purchasing authority.

If you have questions regarding software or other goods or services, please contact the Division of General Services at 465-2250 for assistance.

Procurement Information Message #21 **February 1994**
Division of General Services **Juneau 465-2250**

ELECTRONIC FORMS

The Department of Administration, Division of General Services publishes 17 standard procurement forms for agency use. A list of the forms and examples are included in the procurement forms section of the Administrative Manual.

The forms may be generated electronically. If you choose to generate the forms electronically, please follow these rules:

- The form content must read exactly as published in the most recentversion of the Administrative Manual.
- The electronic form must have the same form number and revision date as in the latest version of the Administrative Manual.
- Specific instructions to the State agency user printed on the back of the form may be deleted.
- Instructions to vendors or contractors printed on the back of forms shall not be deleted.
- Distribution requirements remain the same as conventional paper forms. Under your latest purchasing authority, audit copies of DOs are no longer sent to General Services.
- While there may be minor deviations in fonts, style and size as well as margins, the form must, to the greatest extent possible, look like the form contained in the Administrative Manual.
- The general provisions printed on the back of the Standard Agreement for Professional Services Contract (form #02-093) may be printed on a separate page, but must always be included in the Standard Agreement for Professional Services Contract form.
- Forms such as Delivery Orders or Purchase Requisitions that have separate control numbers may only be reproduced electronically if they include independent tracking number utilizing the following format:

  XX-YY-ZZZZ-FY

  XX: Department Number
  YY: Division Number
  ZZZZ: Progressive Numbers
  FY: Fiscal Year

- The delivery order is an optional use form and may be replaced by an electronic order form if it includes the following:

  – vendor, address, telephone number and vendor contact;
  – agency contact person, agency address and telephone number;
  – item description;
  – weight, quantity of items;
  – price, total price, price extensions and not to exceed amount;
  – delivery terms, shipping instructions and FOB point;
  – a record of competition should be kept with the document or on the file copy of the document;
  – the document should include signature of the State official authorized to make the purchase; and
  – remember, this document is all you will have to capture the terms of the order so include anything you will need.

While we encourage the use of electronic forms as a matter of convenience to the agency, use of pre-printed forms may be less expensive because we are able to print them in volume.

If you send us a copy of your revised electronic forms on disk, we will review it for you and place on the state-wide procurement bulletin board for use by all agencies.

If you have questions, please call General Services at 465-2250.

Procurement Information Message #22 **March 1994**
Division of General Services **Juneau 465-2250**

AIRFARE PURCHASES

This is a reminder that the Alaska Administrative Manual (AAM) 60.090-095 requires agencies to take advantage of special airfares and discounted transportation rates whenever possible. AAM 81.150 requires reasonable and adequate competition for purchases under $1,000. For airfare purchases between $1,000 and $5,000, 2 AAC 12.400(3) requires procedures adequate and reasonable to provide competition. Purchases in excess of $5,000 but under $25,000 require written quotes utilizing the Request for Quotation form (#02-110).

State policy directs employees to purchase transportation from the carrier offering the lowest priced, regularly scheduled fare unless that carrier does not have space available or does not offer a flight which meets the traveler's scheduling requirements. Frequent flier mileage or other incentives cannot be considered when choosing which carrier to fly.

This policy is intended to ensure that the State's travel needs are met at the most economical price.

If you have questions or comments regarding this policy, please contact the Division of General Services at 465-2250.

Procurement Information Message #23 **July 1994**
Division of General Services **Juneau 465-2250**

PUBLIC NOTICE OF COMPETITIVE SEALED PROPOSALS & COMPETITIVE SEALED BIDS

Recent changes were made to AS 36.30.130, PUBLIC NOTICE OF INVITATION TO BID, which affect all agencies. Effective August 22, 1994, when an agency requests a list of bidders for services, supplies or professional services maintained by the Division of General Services (DGS), they will be provided with a list of bidders located in Alaska. If an agency requests a list maintained by DGS that contains fewer than three bidders located in the state, a list containing out-of-state bidders may also be provided.

When providing a public notice of an Invitation to Bid or a Request for Proposal via newspaper advertising, agencies may advertise only in newspapers intended to reach prospective Alaskan bidders or offerors.

If an out-of-state contractor requests a copy of the Invitation to Bid or Request for Proposal during the solicitation, the procurement officer must provide one. Bids or proposals received from out-of-state contractors must be evaluated.

Situations may arise that make it impracticable to follow this statute as amended. DGS will consider exceptions to these new requirements only if the agency demonstrates that it is impracticable to solicit competition from Alaskan vendors only. Requests for exceptions to in-state solicitation requirements should be in memo format and forwarded to DGS for review prior to solicitation.

Procurement Information Message #24 **March 1995**
Division of General Services **Juneau 465-2250**

PAPER SHORTAGE

The State is facing rapidly escalating paper prices and the potential of short supplies in various types of paper products. To date two contractors have been defaulted without prejudice because they could no longer fulfill the terms of their contracts for paper. One contractor has declined to renew their contract. This is an industry-wide situation. All agencies should be prepared to encounter higher prices for paper.

To better understand recent price hikes, it is important to remember the product history over the last few years. Prices took a plunge in 1991 and are just now getting back to the levels they were at in 1990. In general, the paper industry mirrors the nation's overall economy; prices drop during recessions and prices go up when the economy is stronger. Here are a few reasons why the prices are going up now:

National production levels are down as a result of paper and pulp mill closures, and as a result of the sell-off of recent over-stocked inventories

Several paper and pulp mills have had reduced production due to closures and labor disputes.

Changes in the international market encouraging exporting have further reduced supplies.

New production technology is diverting pulp into the copier paper market, where the best ratios of pulp to finish product are reached and demand insures a booming market.

Prices of pulpwood have increased--raising production costs.

Some forms of paper, principally recycled products, which are produced on older, less productive and more labor intensive machinery, are likely to become essentially unavailable in the short to mid-term, as industry
modernizes its equipment and concentrates on more productive and profitable products.

The shift by many printers to "just in time" delivery means that much less paper is stacked up in warehouses around the country and there is less of a buffer against price fluctuations.

Many paper mills have orders for more paper than they can produce. So in addition to rising prices, the mills will also decide which distributors get paper, and in what volume. This is known as "allocation" and mills usually base allocation decisions on distributors' past ordering volume. For contracts remaining in place, we can expect to see allocations proposed by the supplier.

It is important to remember that the price plunge in 1991 followed a similar period of allocation in 1990. Price fluctuations are just part of the paper industry business cycle. What is unusual now is how fast and how high prices are going up. Predicting the future of this cycle is difficult. We have been advised that prices are likely to remain up through 1996.

We are assessing strategies for replacement of terminated contracts that include:
CA 24200 | Arctic Office Product | Computer Paper for Anchorage and Juneau Data Center
CA 24298 | The Office Place | Recycled 20# copy paper for Central Duplicating & many locations

What can you do?

Take action to reduce paper consumption.

Agencies should continue to purchase from existing paper contracts. If the contract is canceled you will be advised. Do not overstock or attempt to horde paper. This will lead to allocation problems.
When a contract does not exist for the paper needed, agencies should purchase on the open market using their delegated purchasing authority. If the paper purchase exceeds $25,000, submit a purchase

requisition for a spot bid. If you foresee large f uture demands, let us know and we'll work with you to develop the best strategy to meet your needs.

For more information regarding paper purchase plans, contact Ben Milam at 276-3320.

SUMMARY OF PAPER RELATED CONTRACTS

Number	Vendor	Subject
24074	A.T. Publishing	EMS Newsletter***
24198	Alaska Paper	Boxes
24050	Anchorage Daily News	Print Hunt Supplements
24354	Anchorage Printing	Regulations***
24336	Color Art Printing	Envelopes
24319	Continuous Printing	Snap Out Forms***
24370	Continuous Printing	Ferry Tickets
24380	Continuous Printing	WIC Warrants
24291	Daily Journal of Commerce	Retirement Handbook
24317	Daily Journal of Commerce	Game and Trap Regulations
24280	Frontier Paper	Carbonless Paper***
24299	Frontier Paper	Recycled 60#***
24184	Frontier Printing	Letterhead and Envelopes
24337	Frontier Printing	Fish Tickets
24190	Moore Business Forms	Harvest Tickets***
24263	Moore Business Forms	Billing Statements***
23991	National Computer	Loan Coupon Books
24313	Printing Trade Company	Pleading Paper***
24338	Professional Colorgraf	Permanent Fund Brochure
24340	Unisource	Card Stock
24272	Unisource	Janitorial/Food Service
24391	Unisource	Janitorial/Food Service
24294	Unisource	Recycled 80#
24295	Unisource	Recycled 60#

***Expressed concern over their ability to perform at current prices.

Procurement Information Message #25 **March 1995**
Division of General Services **Juneau 465-2250**

AIRFARE PURCHASES IN S.E. ALASKA

Mark Air has announced they will discontinue flights in Southeast Alaska on **April 2, l995.** After that date, the competition in Southeast will be limited to Alaska Airlines and other commuter airlines. After April 2, Alaska Airlines will be the only carrier with scheduled service between Southeast and Anchorage. Alaska Airlines has just announced the following fares **for travel that begins and ends between April 1 and April 30:**

1. A 2-for-1 fare at $280.00 round-trip ($140.00 per person) between Anchorage and Juneau or Sitka;

2. A 2-for-1 fare at $174.00 round-trip ($87.00 per person) between Ketchikan and Juneau or Sitka;

3. A 2-for-1 fare at $95.00 round-trip ($47.50 per person) between Juneau and Sitka;

4. A 2-for-1 fare at $344.00 round-trip ($172.00 per person) between Cordova and Petersburg or Wrangell, and;

5. A 2-for-1 fare at $330.00 round-trip ($165.00 per person) between Anchorage and Petersburg, Wrangell or Ketchikan.

There will be $35.00 service fee charged on changes or cancellations to these flights. Companion means two people traveling together under the same itinerary, one must be 18 years of age or older. They must buy their tickets at least three days in advance of planned departure and stay over at least one night for items 1 & 2. Ticketing is required within one day after reservations are made or three days before departure, whichever is earlier. Further clarification may be obtained by calling 1-800-426-0333.

The Alaska Administrative Manual (AAM) 60.090-095 requires agencies to take advantage of special airfares and discounted transportation rates whenever possible. AAM 81.150 requires reasonable and adequate competition for purchases under $1,000. For airfare purchases between $1,000 and $5,000, 2 AAC 12.400(3) requires procedures adequate and reasonable to provide competition. Purchases in excess of $5,000 but under $25,000 require written quotes utilizing the Request for Quotation form (#02-110).

State policy directs employees to purchase transportation from the carrier offering the lowest priced, regularly scheduled fare unless that carrier does not have space available or does not offer a flight which meets the traveler's scheduling requirements. Frequent flier mileage or other incentives cannot be considered when choosing which carrier to fly. State employees are encouraged to take advantage of these and any other discounted fares whenever practical.

If you have questions or comments regarding this policy, please contact the Division of General Services at 465-2250.

Procurement Information Message #26 **April 1995**
Division of General Services **Juneau 465-2250**

STATE LONG DISTANCE TELEPHONE CONTRACTS AND CALLING CARD USE

The State has awarded contracts for long distance telephone services with Alascom and GCI. Those contracts obligate State agencies to use the services of these two carriers when placing calls from phone systems connected to the main switches in Anchorage, Juneau, and Fairbanks. Agencies using telephones connected to the main switches will be automatically connected to one of these carriers when dialing.

When placing calls from telephones, modems, or fax machines connected to the main switching nodes, do not use calling cards. Such calls would violate the terms of our contracts with Alascom and GCI.

Agencies are free to use calling cards when placing calls from telephones not connected to the Anchorage, Juneau, and Fairbanks switches. Rates charged for certain calling cards are reviewed by the Alaska Public Utilities Commission (APUC) and are therefore excepted from the competitive solicitation requirements of the Procurement Code per AS 36.30.850 (b)(28). Carriers which have been certified by the APUC (or are in the process of meeting conditions of certification) to provide intrastate debit card services are Amerivox, Bottom Line, GCI, International Telecom, Quest, and Sprint.

You are not required to follow the normal rules for competitive solicitations when procuring debit card services from the companies mentioned above because their rates are set by law. However, since competition exists, we urge you to seek competition whenever purchasing debit card services. Without competition, there is no way to ensure that the State is getting the best possible price.

Another factor you may want to consider are the records and/or invoices you require to document calls made. Some debit cards do not routinely supply invoices showing calls made or declining balances. If you need this type of information, you should specify that requirement in your solicitation.

Calling cards, either credit cards or debit cards, can be useful when traveling. If you are interested in purchasing calling card services, we urge you to shop around to ensure you get the card that meets your needs at the best price. If you have questions or need additional information, please contact John Cameron in the Division of Information Services at 465-2041 or Vern Jones in the Division of General Services at 465-2250.

Procurement Information Message #27 **May 1995**
Division of General Services **Juneau 465-2250**

MICRO COMPUTER CONTRACT REVISION AND REMINDER

Some of the Micro Computer Contracts have been revised to make them more useful to State agencies. The following contractors have agreed to make contract items costing less than $500 non-mandatory:

VENDOR	CA #	VENDOR	CA #
ACE Computers	27602	DEC	27611
Advanced Information Services	27603	GCI	7612
AK Aud/Vis	27604	HFSI	27614
AK Micro Sys	27605	IDEA	27615
AK Print Sup	27606	Interface Systems	27616
America-Direct	27607	OpenSystems	27619
Bohdan-AmeriData	27608	Router Solutions	27620
ComputerLand Anchorage	27609	Unisys	27621
ComputerLand Fairbanks	27610	Wyle	27623

The exceptions to this change are the following contractors who have not agreed to remove the mandatory restriction:

VENDOR	CA #	VENDOR	CA #
Government Computer Sales	27613	Juneau Electronics	27617
Norcom	27618	Wang	27622

All contracted items offered by these four companies are still mandatory and must be purchased from their contracts.

Items less than $500 should still be purchased from the contractors that have agreed to the non-mandatory change when timing is not critical or if the purchase of such items is part of a larger purchase that anticipates longer delivery. Purchases no t made from these contracts are subject to the procedures for small procurement acquisitions.

General Services believes this revision will result in more efficient and effective contracts for all State agencies. If you have any questions or comments regarding the Micro Computer Contracts, please contact General Services at 465-2250.

REMINDER: The prices obtained under the Micro Computer Contracts are priced at one each of an item. There is nothing in any of the contracts that prevents you from negotiating a better price from the contractor for the purchase of additional quantities of an item. This means you can only negotiate with the contractor who has received award for the particular item. You can not negotiate the price for that item with another contractor, only the official Contract Award holder of the item.

General Services encourages the negotiation of further price reductions when making volume/quantity purchases. If a contractor is unwilling to negotiate a price reduction for the purchase of additional quantities of an item, and you believe there is sufficient quantity to warrant more competitive pricing, you may seek written approval from General Services to solicit quotations and purchase "off-contract."

Procurement Information Message #28 **October 1995**
Division of General Services **Juneau 465-2250**

WATCH OUT FOR TELEMARKETING SCAMS

Alaska law (AS 45.63.010) requires all those who attempt to sell goods or services by telephone to register with the Department of Law. Anyone who calls you with a sales pitch is committing a felony unless they have registered. How do you detect one of these scams?

- The offer is handwritten and is offered by phone or fax.
- The sales person says you must place an order right away.
- You must purchase large quantities--ask for small amounts to test.
- The product is reported to be from the manufacturer's overruns or diverted from overseas.
- The company has a name intended to sound like a well-known company or government agency.
- The telemarketer acts like they have done business with you before.
- The company is unwilling to send you written information on the offer.
- Caller asks for the serial number of your copier.
- You have to pay a fee before you receive the goods.
- They offer a certificate of authenticity along with the products.
- If the offer sounds too good to be true, it probably is.

What should you do if you think someone is attempting a scam?

- Ask the caller if they have registered with the Department of Law.
- Report the call to Assistant Attorney General David Schwartz at 269-5100.
- Check the Dunn & Bradstreet listing for the company.
- Ask for written confirmation of the offer.
- Ask for a reference.
- Do not purchase until you have made sure it is a legitimate business.

Procurement Information Message #29 **December 1995**
Division of General Services **Juneau 465-2250**

REVISED INSURANCE FORMS FOR PROFESSIONAL SERVICES CONTRACTS

Attached are new insurance and indemnification forms developed by the Division of Risk Management for use with professional services contracts. The revised forms have been reviewed by the Procurement Advisory Council and approved by the Attorney General's Office.

Appendix B1 should be included with all professional services contracts except for those requiring Appendix B2 as described below.

Appendix B2 should be included with all contracts for licensed professionals, such as physicians, dentists, attorneys, architects, engineers, land surveyors, accountants, insurance agents and brokers, appraisers, actuaries, claims adjusters, tax consultants, investment brokers, and investment/divestiture consultants.

If you have a question on which form to use, or if you need to amend the forms, including minimum required coverage limits, please contact the Division of Risk Management.

Please destroy your supply of old forms and begin using these revised forms immediately. Updated forms will be available from Forms Management by December 18, 1995. Until then, please make copies of the attached forms.

Procurement Information Message #30 **December 1995**
Division of General Services **Juneau 465-2250**

THE PROCUREMENT OFFICER'S ROLE ON THE PROPOSAL EVALUATION COMMITTEE

2 AAC 12.260 provides instruction on the evaluation of proposals received in response to a Request for Proposals (RFP). This regulation allows either the procurement officer or an evaluation committee to evaluate proposals.

This regulation requires that the evaluation committee consist of the procurement officer and at least two state employees or public officials[1]. 2 AAC 12.260(b) describes the evaluation process, requiring each member of the evaluation committee, including the procurement officer to rate or rank each proposal based on evaluation criteria contained in the RFP.

In other words, if you are the procurement officer for a particular RFP, regulations require you to score proposals received in response to that RFP. If, for some reason, you will not be scoring proposals, you must delegate your authority and responsibility as the procurement officer to a member of the evaluation committee for the purposes of evaluating proposals and reporting the results of the evaluation process.

After those functions have been performed, you may resume the duties of procurement officer to document information in the procurement file per 2 AAC 12.300 and issue the notice of intent to award per 2 AAC 12.310.

Such a delegation of procurement officer duties is critical if the procurement officer will not be scoring proposals as part of the evaluation committee. If the procurement officer does not score proposals and fails to delegate his or her duties and responsibilities to a member of the evaluation committee, the evaluation process is subject to protest.

During the upcoming year, we will be considering changes to regulations that will address this issue.

[1] Individuals who are not state employees or public officials may be a part of the proposal evaluation committee as long as there are at least three state employees or public officials (including the procurement officer or the procurement officer's designee) are on the committee.

Procurement Information Message #31 **February 1996**
Division of General Services **Juneau 465-2250**

VENDOR SUSPENSIONS

On February 15, 1996 the Commissioner of Administration suspended Sunshine General and Polar Supply Company, Inc. from consideration for award of State contracts.

The Commissioner took this action, pursuant to AS 36.30.635(b), having determined there was persuasive evidence of collusive bidding practices. The suspensions will be in effect for up to three months, pending an investigation by the Attorney General's office and a potential debarment hearing.

During this suspension period, State agencies may not solicit or consider Sunshine General or Polar Supply Company, Inc. for award of any State contracts. See 2 AAC 12.620(a)(2).

A Procurement Information Message will be distributed to notify you when these suspensions are lifted.

Should you have any questions regarding suspension, debarment, or collusion in the procurement process, please contact the Division of General Services at 465-2250.

Procurement Information Message #32 **February 1996**
Division of General Services **Juneau 465-2250**

PROCUREMENT QUESTIONNAIRE

Attached is a Supplemental Procurement Questionnaire, developed in conjunction with the Procurement Advisory Council Preferences Subcommittee.

The questionnaire must be completed for 1) all competitively solicited professional services procurements of $5,000 or more and 2) all competitively solicited procurements of goods and non-professional services of $1,000 or more awarded between January 1, 1996 and June 30, 1996. This will require your agency to capture and report information on some procurements that have already taken place.

The questionnaire is necessary to collect information on the costs of procurement preferences to State agencies. Please instruct all staff responsible for procurements to ensure that individual questionnaires are completed and sent to the Division of General Services for each qualifying procurement. This is in addition to the requirement for completion of Procurement Reports (form 02-115) outlined in your department's delegation of purchasing authority and the Alaska Administrative Manual.

Results of this survey will be compiled and shared with the Procurement Advisory Council, which will use the information in its attempt to streamline the various preferences and their application.

Thank you for your cooperation in this effort.

Supplemental Procurement Questionnaire

To be completed for 1) all competitively solicited professional services procurements of $5,000 or more and 2) all competitively solicited procurements of goods and non-professional services of $1,000 or more awarded between January 1, 1996 and June 30, 1996.

1. Is this procurement for professional services? ☐ Yes ☐ No

2. Brief description of the goods or services procured: _____

3. Number of offers/bids received from Alaskan vendors _____

4. Number of offers/bids received from non-Alaskan vendors _____

5. Dollar amount of the winning offer/bid _____

6. Was the winning offeror/bidder an Alaskan vendor? _____

a. ☐ No Go to question 7.

b. ☐ Yes Did the Alaskan vendor win due to application of the Alaska Bidder Preference/Alaska Offeror Preference* (ABP/AOP)?

☐ No. Go to question 7.

☐ Yes. Please determine which offer/bid would have won if no ABP/AOP had been applied:

i. Enter the amount of that bid/offer _____

Subtract this amount from the amount on question 5:

Amount from question 5 _____
Minus amount from 6.b.i. _____
Difference _____

7. Please check any of the following preferences that were applied to the winning offer/bid:

☐ 3%, 5%, or 7% Alaska Products (AS 36.30.332)
☐ 15% Employment Program (AS 36.30.170c)
☐ 10% Disability - Sole Proprietorship (AS 36.30.170e)
☐ 10% Disability - 50% of employees (AS 36.30.170f)
☐ 7% Local Agricultural & Fisheries Products (AS 36.15.050)
☐ 7% Local Forest Products (AS 36.30.322)
☐ 5% Recycled Products (AS 36.30.339)
☐ 5% Domestic Insurer (AS 36.30.170d)

When completed, please forward this form to: Division of General Services
MS 0210
P.O. Box 110210
Juneau, AK 99811-0210

* An Alaskan vendor is one who qualifies for the Alaska Bidder Preference as described in AS 36.30.170(b). The Alaska Offeror's Preference is described in 2 AAC 12.260 (e).

Procurement Information Message #33 **May 1996**
Division of General Services **Juneau 465-2250**

EXPIRATION OF VENDOR SUSPENSIONS

On February 15, 1996, the Commissioner of Administration, under authority of AS 36.30.635(b), suspended Sunshine General and Polar Supply Company, Inc. from consideration for award of State contracts. The statutory and regulatory time limit for such suspensions is three months, unless the suspended firm is debarred.

Nearly three months have expired since these suspensions were imposed and no debarment of either firm has occurred to date. Therefore, the suspensions of Sunshine General and Polar Supply Company, Inc. will end effective at 12:01 am, May 15, 1996.

Both vendors have been placed back on the Division of General Services' bidders lists. You are free to solicit quotes or informal proposals from both firms. You must solicit these firms when issuing Invitations to Bid or Requests for Proposals if their names appear on a bidders list you've requested. You must consider any bids or offers received from these firms as well.

Should you have any questions about the requirements of this information message, please contact the Division of General Services at 465-2250.

Procurement Information Message #34 **September 1996 (rev. Dec 1997)**
Division of General Services **Juneau 465-2250**

PROCUREMENT CHANGES AND EFFECTIVE DATES

As you may be aware, in July the Governor signed HB 482, which made many important changes to State procurement requirements.

Some sections of that bill became effective immediately, some will become effective September 30, and other sections will become effective only after regulations have been enacted to implement them.

The Procurement Advisory Council is drafting regulations to implement and augment the bill, as well as streamline and simplify purchasing procedures. Following is a listing of some of the most critical sections of the bill, their impacts, and effective dates. Regulations necessary to implement sections of the bill will be in place no sooner than 90 days from now.

BILL SECTION	EFFECTIVE DATE	IMPACT
13	IMMEDIATELY	The procurement officer issuing the bid or RFP may make a determination in writing to shorten formal notice of a bid or RFP to less than 21 days if it is advantageous to the state and adequate competition is anticipated.
14	9/30/96	To qualify for the employment program, bidder with a disability, or a bidder employing people with disabilities preferences, the bidder must add value if performing a service by actual performance, controlling, managing, or supervising the service to be provided to the state. If bidding on supplies, the bidder must have a documented history of selling the supplies of the general nature solicited by the state to other state agencies, governments, or the general public. If a prospective bidder can't meet the requirement, they can bid, but would not receive the award evaluation preference.
15	9/30/96	The use of an RFP instead of a bid for services and supplies may be used when the procurement officer determines in writing that use of an RFP is more advantageous to the state. For construction, the written determination is made by the commissioner of DOT/PF.
17	9/30/96	Procurement officer must not disclose proposal contents to competing offerors prior to Notice of Intent to Award. This will avoid exposure of proposal contents until after an award decision is made and will uphold the integrity of the process.
18	9/30/96	When an RFP is canceled prior to notice of intent to award, the state will maintain a list of proposals received, but will return the proposals to the proposers after ensuring no protests are filed.
20	9/30/96	A single source contract may be entered into when the chief procurement officer, or for construction the commissioner of transportation and public facilities, determines in writing, after independent verification of material facts, that award through a bid or RFP is not practicable, and award to a single source is in the state's best interest. Except for small procurements, the chief procurement officer or commissioner of transportation may not delegate the determination.
21	9/30/96	The attorney general will make limited competition determinations for legal services contracts. Except for small procurements, the determination by the Chief Procurement Officer and Commissioner of Transportation for construction contracts under $100,000, and the state equipment fleet may not be delegated.

BILL SECTION	EFFECTIVE DATE	IMPACT
23	11/28/97	Permits the use of an innovative procurement as method of source selection for new, unique requirements, new technology, or to achieve best value only after; the chief procurement officer, or commissioner of DOT/PF for construction, determines the innovative method is advantageous to the state, the department of law approves the procurement plan as to form. The procurement is subject to the public notice requirements and subject to all protest requirements, but not bound by the formal bid or RFP requirements of statute.
24	11/28/97	In addition to acquiring the services of Employment Programs, state agencies may also acquire the services of Youth Education and Employment Programs without competitive bidding. This section is moved to a preference section in the statute revision.
25	IMMEDIATELY	Expands the requirement to independently examine the material facts and independently make the determination to any state official making a determination for an alternate procurement (single source, limited competition, or emergency). If the state official knowingly makes a false statement in the determination, he or she would be guilty of a class A misdemeanor.
26	4/25/97	Formal bids or RFPs are required for all purchases over $50,000, $100,000 for construction, and 3,000 s.f. for office space. Under this threshold, more simplified small procurement procedures may be used.
32	1/1/97	The two-tiered protest process applies to all procurements except small procurements. The commissioner of administration is permitted to establish simplified procedures for protests of small procurements.
33	9/30/96	A protest of a solicitation must be filed 10 days before bid or RFP opening unless the bid or RFP provides for a shorter period. If the public notice period has been shortened, the protest must be filed only prior to bid opening. If a pre-bid or pre-proposal conference is held within 12 days of bid opening, a protest of a solicitation must be filed only prior to bid opening. A protest of an award remains unchanged.
34 35 37 38	9/30/96 9/30/96 9/30/96 9/30/96	Procurement officer response to a protest -- 15 days. A procurement officer's decision on a protest may be extended up to -- 30 days. The procurement officer’s report to the commissioner of administration is due within -- 10 days. The protester’s report to the commissioner of administration is due within -- 10 days.
36	9/30/96	Limits a protester’s damages to reasonable bid or proposal preparation costs.
43	IMMEDIATELY	Exempts direct purchase of advertising media and livestock purchased by Alaska Correctional Industries from the provisions of the Procurement Code.

Procurement Information Message #35 **November 1996**
Division of General Services **Juneau 465-2250**

REQUESTS FOR ALTERNATE PROCUREMENTS

The Governor signed HB 482 in July which made many changes to the State procurement requirements. As a result, we have developed a new Request for Alternate Procurement (RAP) form (attached) which should be used immediately for alternate procurements. Some of the other important changes with respect to alternate procurements are listed below.

SINGLE SOURCE RAPS

Effective September 30, 1996, Sole Source RAPs were replaced by Single Source requests. As a result, when preparing a Single Source RAP for review by General Services the requestor is now required to explain why:

1) It is not practicable to award a contract by competitive sealed bidding, competitive sealed proposals, or limited competition, and
2) Award to a single source is in the state's best interest. Requests must cite those specific and significant interests which justify not using competitive sealed bids or proposals. The definition of "in the state's best interest" is provided in 2 AAC 12.755. STATE'S BEST INTEREST DETERMINATIONS. This regulation is in final draft form pending public comment and is available from General Services.

Except for small procurements, the Chief Procurement Officer or Commissioner of Transportation may not delegate the approval of a single source determination.

PUBLIC NOTICE

The procurement officer may now make a determination in writing to utilize a public notice period of less than 21 days for an ITB or RFP if it is advantageous to the State and adequate competition is anticipated. As such, this type of alternate procurement has been deleted from the RAP form (Ref. 36.30.130).

USE OF A RFP INSTEAD OF AN ITB

A competitive sealed proposal may be used in place of a competitive sealed bid when the procurement officer determines in writing that use of an RFP is more advantageous to the state. For construction, the written determination is made by the Commissioner of Transportation and Public Facilities. This type of alternate procurement has also been deleted from the RFP form (Ref. AS 36.30.200 and 2 AAC 12.215).

EXCEPTION TO ADMINISTRATIVE MANUAL AMENDMENT LIMITATION

This alternate procurement will remain on the RAP form. However, the threshold percentage and amount which requires approval by the Chief Procurement Officer has increased. Unanticipated contract amendments which exceed the lesser of twenty percent (formerly ten percent) of the amount of the original term of the contract, or subsequent current term, as applicable, or $50,000 (formerly $10,000) may be made only if the Chief Procurement Officer, Commissioner of Transportation and Public Facilities, or the Attorney General, as applicable, determines in writing that the amendment is in the State's best interest in accordance with 2 AAC 12.755. This regulation is in final draft form pending public comment and is available from General Services.

Agencies are reminded that all Sole Source, Limited Competition, and Emergency RAP requests must contain findings of fact that support the conclusions reached in the explanation and most importantly, written evidence to support the determination, sufficient for independent examination and verification.

Attached is a copy of the new RAP form (Rev. 11/6/96) for your use. This form will be available from the forms warehouse shortly. Agencies should discard the old form and begin using the new RAP form immediately.

Should you have any questions about the requirements of this information message, please contact the Division of General Services at 465-2250.

REQUEST FOR ALTERNATE PROCUREMENT

1. Total Estimated Cost	2. ASPS/PR/DO Number (Attach document)	3. RAP Number
4. If Single Source, Contractor's Name and Address	5. Date Required	Requesting Department
	6. Preparer's Name	Phone (907)

7. Type of request for exemption from competitive solicitation requirements.

☐ Single Source: AS 36.30.300 / 2 AAC 12.410

☐ Limited competition: AS 36.30.305 / 2 AAC 12.430

☐ Emergency: AS 36.30.310 / 2 AAC 12.440

☐ Exception to Administrative Manual amendment limitation. 2AAC 12.485

tion: Explanations of exemptions under A, B, or C must contain findings of fact. Evidence must be included, consisting of material facts, sufficient to independently determine that the findings of fact listed are true and accurate. Factual evidence may consist of written documents, records, supporting data, affidavits, or other information proving that the findings of fact are true and accurate. Itemized listings of findings of fact and material factual evidence should be included or attached.

(For continuation, attach additional page

9. Department Head or Authorized Representative Name and Title (typed or printed)	I certify to the best of my knowledge and belief, that all the information on this request, including any attachment, is true and accurate. Signature	Date

DEPARTMENT OF ADMINISTRATION

10. ☐ Approved ☐ Disapproved	☐ Returned for Further Justification (See back)	Date
Chief Procurement Officer		Date

02-100 (Rev. 11/8/96)

G: RAP.DOC

REQUEST FOR ALTERNATE PROCUREMENT - BACK

Your request is returned for further justification.

Department of Administration comments and recommendations:

Recommended:	☐ Approved	☐ Disapproved	☐ Other
Signature		Reviewed By	

02-100 BACK (Rev. 11/8/96)

G: RAP.DOC

Procurement Information Message #36 **November 1996**
Division of General Services **Juneau 465-2250**

AUTOMOBILE RENTALS

The contracts to provide automobile rental in the Juneau, Fairbanks, and Anchorage areas have been renewed through October 31, 1997. Through the combined efforts of the Division of General Services and Mr. Andrew Halcro of Avis Rent-A-Car, additional services will be provided in an effort to provide State travelers with faster and more efficient service.

- Starting immediately, Avis will provide additional Class C (mid-sized) vehicles. This increase is especially advantageous to the State as the rate for the Class A (economy/subcompact) and the Class C (mid-sized) are the same.

- Andrew Halcro visited the travel agencies in an effort to arrive at a more expedient process of confirming vehicle reservations. This resulted in establishing a State of Alaska discount number (#W027500). When State travelers place a reservation through a travel agency, make sure the travel agency is given the State of Alaska discount number. This prompts the travel agency's computer to check the availability of vehicles in the Alaska Avis computer. This will resolve past problems that resulted in the State Traveler being informed "no vehicles are available" when vehicles actually were on hand.

- Andrew Halcro has made a special State of Alaska phone number available (1-800-478-2847, extension 237) exclusively for State travelers. Should some unforeseen difficulty arise in dealing with a reservation, the State traveler can call this number for assistance.

- To better serve State travelers when flying into Anchorage (i.e., the morning flight from Juneau to Anchorage), additional counter agents will be provided. Additionally, the rental agreements for confirmed reservations will be preprinted and awaiting the State traveler. This should help to speed up the check-in process at the Anchorage counter. We request that Avis is made aware of cancellations as soon as possible. This courtesy will speed up the process of serving the State travelers at the counter and eliminate the time and cost associated with printing contracts needlessly. Please keep in mind that with 20 - 50 state travelers attempting to get vehicles at one time, it does take some time to process this volume of agreements.

We will continue to work together to arrive at better methods to provide State travelers with the highest quality of vehicles and services at the low price you have come to enjoy.

Procurement Information Message #37 **November 1996**
Division of General Services **Juneau 465-2250**

YEAR 2000 CONTRACT LANGUAGE

What is the year 2000 problem? In the late 1950s through the 70s, computer memory that was needed to store data and computer programs, and to do the many computations required to support government and business was costly. Programmers looked for ways to use memory efficiently. For example, expressing dates as six-digit combinations (e.g. 01-01-95) was a good way to save considerable computer memory. It also saved time when the date was entered and ultimately saved money.

This was not a problem until businesses, such as insurance companies, needed to express the year 2000. Without an additional digit for the century indicator, Jan. 1, 2000 would be entered in the computer as 01-01-00. The computer program interprets the "00" as 1900, rather than 2000.

Another example is when the computer calculates your age in the current year. If you were born in 1952, the computer takes 96 (the current year), subtracts 52 and the answer is 44. However, the same question in the year 2000 will force the computer to take 00 and subtract 52, which will make you -52 (not born yet).

Will this affect State government? Computer systems that support critical State applications such as revenue collections, taxes, welfare benefits, medical insurance, criminal records, licensing, and many others may not be ready to deal with the year 2000. *Agencies must act now to determine the effect the year 2000 change will have on all applications and take action to correct the problems immediately!*

How long will it take and how much will it cost to fix the problem? Costs will vary depending on the severity of the problem and the number of programs affected. Agencies need to assess the extent of the problem within their programs before "costs" and "time to fix" estimates can be made.

What can we do to ensure that hardware, software, or firmware products purchased by the State accurately process data between the twentieth and twenty-first centuries?

The following clause is designed to protect the state against potential conversion problems associated with high tech purchases during the year 2000. It should be included in all applicable high tech purchases and development contracts for Year 2000 compliant software, hardware, and systems with the following exceptions:

1. the requirement will not continue to exist after December 31, 1999, or
2. the agency has decided to accept products or items that are not Year 2000 compliant.

YEAR 2000 WARRANTY: The contractor warrants that each hardware, software, or firmware product or item delivered or developed under this contract shall accurately process date data (including, but not limited to calculating, comparing, and sequencing) from, into, during, and between the twentieth and twenty-first centuries, including leap year calculations, when used in accordance with the documentation provided by the contractor.

If the contract requires that specific products or items perform as a system, then this **Year 2000 Warranty** shall also apply to those listed items as a system.

The duration and remedies available to the State for breach of the **Year 2000 Warranty** shall be as defined in, and subject to, the terms and limitations of any general warranty provisions contained in this solicitation. In the absence of any such general warranty provision(s), the remedies available to the State shall include repair or replacement, without any cost to the State, of any listed product or item whose non-compliance is discovered and made known to the contractor in writing within one (1) year after acceptance, or within the time limits of the contractor's warranty, whichever is longer. Nothing in this **Year 2000 Warranty** shall be construed to limit any rights or remedies the State may otherwise have under the Uniform Commercial Code, State or Federal law, or with respect to defects other than Year 2000 performance.

Agencies may consider negotiating modifications to existing contracts for the acquisition of new products using the above clause as a guide. Prior to modifying the contract, the agency must ensure:

1. that performance is possible considering the characteristics of the existing products,
2. cost of performance will not be prohibitive, and
3. the contractor agrees to the bilateral contract modification.

Please contact General Services if you have questions regarding the information contained in this PIM.

Procurement Information Message #38 **January 1997**
Division of General Services **Juneau 465-2250**

PURCHASE OF OFFICE SUPPLIES

The State of Alaska has awarded a contract for the purchase of office supplies in four major metropolitan areas of the state. Agencies located outside these areas can order from the nearest contractor.

NEW CONTRACTS

Anchorage Area:
Arctic Office Products
274-7567 FAX 279-4359
Discount 48%

Fairbanks Area:
Corporate Express
452-1147 FAX 451-2424
Discount 38.1%

Juneau Area:
Capital Office Supply
586-2830 FAX 463-3650
Discount 33.3%

Ketchikan Area:
Jud's Office Supply
225-9110 FAX 225-9119
Discount 41%

These contracts are significantly different from past contracts, emphasizing ease of use and customer satisfaction. Suggestions from all state agencies were collected during many meetings and were incorporated into the contracts.

These contracts are non-mandatory. If an agency finds the contractor's services, fill rates, inventory, product quality, prices, or other features of the contract unsatisfactory, they are permitted, at their sole discretion, to purchase any and all office supplies covered by this contract from another vendor. However, agencies must first consider these established contracts before purchasing from another source and be prepared to justify their failure to use the contracts as intended.

From time to time, you will be solicited by non-contract vendors offering favorable pricing on a narrow selection of office supplies. Agencies should support the State's long term goal of developing "Value Added Relationships" by patronizing the vendors who won contracts whenever possible.

These contracts are the result of rigorous statewide competition. They represent our best efforts to establish long term partnerships with office supply providers. It took significant effort to establish these contracts, which provide agencies with maximum convenience and flexibility as well as the best prices over the long term. Improvements such as electronic ordering and other value added services will be added over time.

CONTRACT FEATURES:

Single discount on everything
Long term, 5 years
25,000 item catalog
Fax orders
Walk-in shopping
Electronic ordering
Telephone orders
Desk top delivery
Competitive pricing

Each contractor will provide a catalog containing approximately 25,000 pre-priced items to agency personnel upon request. This is a major change from prior contracts in that virtually all office supply items in the catalog are on contract at a single discount price.

A few items have been excluded from the contracts because they are major purchases such as furniture or because they are already on another mandatory-use contract.

ITEMS NOW EXCLUDED FROM THE NEW CONTRACT:

Furniture
Mailing equipment
Computer hardware and software
Copy paper (except single case)
HP brand printer supplies

Custom printing
Envelopes
Pleading paper
Toner & toner supplies
Lexmark brand printer supplies

A training schedule is currently being developed for each of the four areas. Ben Milam, the Contracting Officer for this contract will discuss the many features of the contracts, including pricing, electronic ordering, Internet ordering, etc. A copy of the contract will be provided at that time to participants. A detailed schedule will follow.

For further information contact Ben Milam in Anchorage, 276-3320

PROCUREMENT INFORMATION MESSAGE

Procurement Information Message #39 **March 1997**
Division of General Services **Juneau 465-2250**

OFFICE SUPPLY CONTRACTS

There has been some confusion regarding the use of the office supply contracts awarded on December 3, 1996. This is intended to reiterate and clarify requirements for State employees when procuring office supplies.

General Services awarded the office supply in four metropolitan areas of the state. Agencies located outside these areas may order from the nearest contractor.

These contracts are significantly different from past contracts, emphasizing ease of use and customer satisfaction. Suggestions from all state agencies were collected during many meetings and were incorporated into the contracts.

These contracts are non-mandatory. It is incumbent on the contractor to maintain a degree of service, product quality and fill rate to provide satisfaction to the users of the contracts. Employees are permitted, at their sole discretion, to purchase any and all office supplies covered by these contracts from other sources if they find the contractors price, services, fill rates, inventory, or product quality unsatisfactory. However, employees must first consider these contracts before purchasing from another source and should be prepared to justify use of other sources, if requested. No specific documentation is required for your decision to use other sources.

Employees who choose not to procure office supplies from these contracts must follow the appropriate solicitation requirements contained in procurement regulations, the administrative manual, and their agency's policies and procedures .

These contracts are the result of rigorous statewide competition. They represent our best efforts to establish long term partnerships with office supply providers. It took significant effort to establish these contracts, which provide agencies with maximum convenience and flexibility as well as the best prices over the long term.

We encourage you to support the State's long term goal of developing "Value Added Relationships" by patronizing the vendors who won contracts whenever possible.

Improvements such as electronic ordering and other value added services will be added over time.

CONTRACTS BY LOCATION:

Anchorage Area:
Arctic Office Products
274-7567 FAX 279-4359
Discount 48%

Juneau Area:
Capital Office Supply
586-2830 FAX 463-3650
Discount 33.3%

Fairbanks Area:
Corporate Express
452-1147 FAX 451-2424
Discount 38.1%

Ketchikan Area:
Jud's Office Supply
225-9110 FAX 225-9119
Discount 41%

CONTRACT FEATURES:

Single discount on everything
Long term, 5 years
25,000 item catalog
Fax orders
Walk-in shopping
Electronic ordering
Telephone orders
Desk top delivery
Competitive pricing

Each contractor will provide a catalog containing approximately 25,000 pre-priced items to agency personnel upon request. This is a major change from prior contracts in that virtually all office supply items in the catalog are on contract at a single discount price.

A few items have been excluded from the contracts because they are major purchases such as furniture or because they are already on another mandatory-use contract.

ITEMS NOW EXCLUDED FROM THE NEW CONTRACT:

Furniture
Mailing equipment
Computer hardware and software
Copy paper (except single case)
HP brand printer supplies
Custom printing
Envelopes
Pleading paper
Toner & toner supplies
Lexmark brand printer supplies

For further information contact Ben Milam in Anchorage at 276-3320

Procurement Information Message #40 **October 1997**
Division of General Services **Juneau 465-2250**

AUTOMOBILE RENTALS

The contracts to provide automobile rentals in the Juneau, Anchorage, and Fairbanks areas have been renewed through October 31, 1998. These contracts provide State travelers numerous benefits beyond the lowest prices offered to ANY corporate account within the State of Alaska.

1. Vehicle Mileage: State travelers are provided with unlimited mileage at no additional cost.

2. Indemnification Agreement and Insurance: The Contractor shall be responsible for all damage to the rented vehicles regardless of cause. This indemnification does not eliminate the State traveler's responsibility to operate the vehicle in a safe and law-abiding manner.

3. Fast Vehicle Reservations: When State travelers place a reservation through a travel agency, make sure the travel agency is given the State of Alaska discount number (#W027500). This number prompts the travel agency's computer to check the availability of vehicles in the Alaska Avis computer.

4. Special Assistance Number: Should some unforeseen difficulty arise in dealing with a reservation, a special assistance number (1-800-478-2847 extension 237) has been provided exclusively for assisting State travelers.

5. Preprinted Rental Agreements: Preprinted rental agreements for confirmed reservations will be awaiting the State traveler. This will speed up the check-in process. Please make Avis aware of any cancellations as soon as possible.

NOTE: The pricing offered on these contracts are in accordance with the terms and conditions of the contracts. Neither Avis nor the state is authorized to modify these agreements unilaterally. The contracts make no provisions for air mile credits. State travelers are advised not to request arrangements to pay for mileage in order to obtain air mile credits.

All State travelers renting vehicles under CA 24436 (Juneau), CA 24500 (Anchorage) and CA 24460 (Fairbanks) shall fully conform to all the terms and conditions stipulated in the contracts. At no time shall the terms and conditions of these mandatory use Automobile Rental Contracts become modified or changed, nor shall a State traveler request Avis to modify the contracts.

Procurement Information Message #41 **November 1997**
Division of General Services **Juneau 465-2250**

GSA CONTRACTS

On October 1, 1997, Congress repealed the cooperative purchasing program of 1994 when it passed the 1998 Treasury-Postal Service appropriation bill.

Originally established as part of the Federal Acquisition Streamlining Act in 1994, but never implemented, the controversial program would have made it possible for state and local governments to order goods and services directly from General Services Administration/Federal Supply Services (GSA/FSS) contracts.

There is now no provision in the Federal Acquisition Regulations under which state and local governments are authorized to order goods and services from GSA/FSS contractors on the basis of their federal contracts. Purchases may be made from federal contractors, of course, but not on the basis of the federal contracts. State and local governments will need to establish a contract with the federal contractors based on their own purchasing authorities.

After the seating of the next congress the discussion may be brought up again. The proponents and opponents feel very strongly about the cooperative purchasing program. And, it is expected to be reintroduced, in whole or in part, in the next Congress. Stay tuned for more details.

Les Jackson, NIGP

Technical Bulletin
November/December

Procurement Information Message #42 **April 1998**
Division of General Services **Juneau 465-2250**

CONTRACT PRICE ADJUSTMENT CLAUSES

When it is necessary or beneficial to establish a long term agreement, you should first consider a firm, fixed price contract. However, from time to time it may be necessary or advisable to include contract clauses which allow for adjustments to pricing over time. This message is intended to provide guidance to employees when considering price adjustment or escalation clauses.

Price adjustments should not be automatically included in all contracts. You are advised to carefully consider the potential need to adjust pricing prior to including such a clause in a contract. These clauses are intended to preserve the relative balance of price, value, and profit arrived at when a contract is initially established, not to increase the contractor's profits.

Short term contracts and contracts in industries with stable, predictable pricing generally do not require adjustment clauses. Adjustment clauses are more appropriate for longer term contracts, especially those in an industry known for price volatility.

Once you have carefully considered the need for an adjustment clause and have decided one is called for, you should then consider what the adjustment should be related to.

The most common type of adjustment is tied to the Consumer Price Index (CPI), maintained by the US Department of Labor. Since the CPI has consistently increased over time, these types of clauses have come to be known as escalation clauses. Another common index is the Producer Price Index (PPI) which is also maintained by the US Department of Labor.

You may also choose to tie price adjustments to an inflation rate in a specific geographic area, a manufacturer's published price list, a profit margin based on a percentage or markup of a supplier or distributor invoice, or some other industry-specific price index. However, for certain types of adjustments, care should be taken to ensure the index or price list used is not subject to undue influence of the contractor.

Arbitrary use of CPI adjustments in professional services contracts should be avoided. The measurements that the U.S. Department of Labor use to determine this index often have no relationship to the types of contracts the state enters into. Including an excessive or unrelated CPI adjustment in a contract unnecessarily drives up contract prices over time.

The most important advice we can provide is to investigate the marketplace to determine whether an adjustment clause is appropriate for the specific goods or services you will be purchasing and if so, which type of adjustment mechanism will be fair for your agency and the contractor. Another important factor to keep in mind is whether the adjustment clauses allow for price reductions as well as increases. Whenever appropriate, you should ensure that the adjustment clause you use allows for price decreases.

If you have questions about contract adjustment clauses, or if you need help on this or other procurement matters, feel free to call General Services for assistance.

Procurement Information Message #43 **August 1998**
Division of General Services **Juneau 465-2250**

PURCHASE OF ALASKA AGRICULTURAL PRODUCTS

AS 36.15.050 stipulates that "When agricultural products are purchased using state money, only agricultural products harvested in this state shall be purchased whenever priced no more than seven percent above products harvested outside the state..." It further stipulates that every solicitation "shall specify the requirement that products harvested in the state shall be used where possible", and that "the officer responsible for the purchase shall certify in writing the reasons that products harvested in the state were not purchased."

By statute, this requirement applies equally to small purchases and to formal solicitations.

Products subject to this statute may include, but are not limited to:

- Produce - there are at least 12 vegetables commercially grown in Alaska.
- Milk and dairy products - there are numerous dairy products produced in Alaska.
- Meats - There are at least three packing plants in Alaska providing Alaska grown meat, one of which also provides poultry.
- Fish – There are several processors providing Alaska grown fish and fish products.
- Timber and timber products.

It is incumbent upon every person purchasing these products to insure compliance with the provisions of this statute. If you are buying products subject to this statute, you must solicit a price for an Alaska grown product, when available. It's the law!

For further information contact the Anchorage Division of General Services at 276-3320.

Procurement Information Message #44 **May 1999**
Division of General Services **Juneau 465-2250**

AVIS CAR RENTAL CONTRACT

This is a reminder that the AVIS car rental contract is mandatory in Anchorage, Fairbanks and Juneau. In these three locations, State employees are required to rent from AVIS. Only if AVIS informs you they have no vehicles available may you then contact another company for service.

Should you be involved in an accident, regardless of cause or the amount of damage, you are required to report the accident to AVIS by completing an AVIS accident report form and informing them of the accident when the car is returned. The AVIS accident report should be located within the jacket of the car rental agreement. In addition a Division of Risk Management claims reporting form, available off their intranet site at http://146.63.78.33/risk/CLAIM.HTM#_Toc376830177, should also be completed once you return to your office.

The State of Alaska car rental contract with AVIS contains a clause which stipulates that the State and its employees are not responsible for any physical damage to the rental vehicle, regardless of cause, while being used on “State business”. State business” is normal or expected usage while on travel status for the State.

If a State employee chooses to travel early or extends a business trip into personal time before or after any state business travel, they are then individually responsible for any physical damage occurring during the personal rental period - just as they would on any personal rental.

Procurement Information Message #45 **June 1999**
Division of General Services **Juneau 465-2250**

STATE OF ALASKA ONLINE PUBLIC NOTICE SYSTEM

Per Governor Knowles' Administrative Order 183, beginning July 1, 1999, all state agencies will be required to post formal solicitations valued at more than $50,000 on the State of Alaska's Online Public notice website. This page can be accessed from the State's homepage at "http://www.state.ak.us" or directly at "http://notes.state.ak.us/pn". Vendors will be able to view formal solicitations and perform searches based on geographical area, department, commodity code and keyword. A copy of the solicitation may be attached so that vendors may download the ITB or RFP directly from the Internet. Documents may be attached in HTML or PDF. HTML will require the vendor to possess some type of Internet viewing software, such as Netscape or Microsoft Internet Explorer. PDF requires an Adobe Acrobat viewer, which is free software. In order to provide public notice in accordance with the Administration's desires, departments should attach copies of the solicitation to the Online Public Notice. However, the following language must be included on the cover page of each solicitation document that is attached:

"**IMPORTANT NOTICE:** If you received this solicitation from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to received subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your offer."

When completing the Online Public Notice form, the Procurement Officer will have the opportunity to give a brief description of the solicitation in the block marked "Body of Notice". The following line, typed exactly as shown, may be added to the notice to provide an active e-mail link (substitute the procurement officer's e-mail address for "my_name@dept.state.ak.us"):

For more information, please e-mail the procurement officer at:
[my_name@dept.state.ak.us]

The Online Public Notice system is used to create the Alaska Administrative Journal - as required by 2 AAC 12.130. This information will only be sent if the block marked "post in AAJ" is checked. This block is checked as a default, but you should ensure it is checked before your notice is posted. Since attachments are not published in the Admin. Journal, please include enough information in the "body of notice" to allow vendors to effectively search for solicitations in their business area.

Procurement Regulation 2AAC 12.130 requires that public notice of formal solicitations be published in the Alaska Administrative Journal as well as one of the following methods:

- Mailings to prospective contractors on a contractors list
- Publication in a newspaper of general circulation
- Notices posted in public locations within the area where the work is to be performed, and
- Communication in another appropriate media, including postings in electronic media

While this Online Public Notice system technically meets the requirements of 2AAC 12.130, agencies should continue to use either DGS vendor lists or newspaper advertisements to provide notice to prospective vendors until further notice.

Procurement Information Message #46 **October 1999**
Division of General Services **Juneau 465-2250**

LEASE - PURCHASE TRANSACTIONS

This is a reminder about unauthorized use of the State of Alaska's name and credit in the public sale of tax-exempt securities. This situation can occur when a lease-purchase of equipment purchased by a State agency is securitized and sold. These sales raise several concerns, including the possibility of fraud in such transactions and negative debt management/credit implications to the state.

As such, all requests for proposals, contracts or agreements for the lease-purchase of equipment or real property shall include language prohibiting securitization without prior Bond Committee approval. The Department of Law and the State's Bond Counsel have developed the following model language. Please include this language when soliciting for a lease-purchase of equipment.

Permit Tax-Exempt Financing Subject to the Prior Approval of the State Bond Committee

"Offeror shall offer the State a payment plan for the _____ over a term of [not to exceed] _____ year(s). This option may be presented as a conditional sales contract or lease agreement. The agreement/contract would not be executed until the State has accepted delivery of the _____. In developing a proposal, the offeror may make a proposal that contemplates the use of tax-exempt financing. No public offering or private placement of securities relating to the lease agreement/conditional sales contract may be made without the prior consent of the State Bond Committee, and if a proposal contemplates the securitization of the State's payments, the acceptance of an offeror's proposal will be fully conditioned upon the discretionary approval of the State Bond Committee. Any lease agreement/conditional sales contract executed by the State will include a provision that absolutely prohibits the lessor from assigning all or any portion of its interest in the lease agreement/conditional sales contract without the prior written consent of the State, which may be withheld in the sole and absolute discretion of the State (and any lease agreement/sales contract executed by the State will set forth this limitation therein)."

Procurement Information Message #47 **November 1999**
Division of General Services **Juneau 465-2250**

REQUESTS FOR ALTERNATE PROCUREMENT

The Division of General Services (DGS) is experiencing difficulties in approving Requests for Alternate Procurements (RAPs). The majority of Single Source, Limited Competition, and Emergency RAPs initially submitted to DGS do not contain the required findings of fact or written evidence necessary to support the request.

In addition to an explanation of why alternate procurement conditions exist, agencies are required by Statute, Regulations, and the Administrative Manual to submit findings of fact and, most importantly, factual evidence sufficient to support an independent examination and determination of the material facts of the procurement. The Chief Procurement Officer cannot make assumptions regarding the facts involved, they must be listed and accompanied by evidence sufficient for independent examination and verification.

Material factual evidence may consist of written documents, records, supporting data, affidavits, independent third-party statements, or other information proving that the facts are true and accurate. Mere argument or persuasion does not constitute evidence of fact.

The following guidelines should be followed when preparing RAPs at the department level of $50,000.00 and less for Single Source and Limited Competition procurements, as well as those submitted to the Chief Procurement Officer for review.

All Single Source, Limited Competition, and Emergency RAPs must include:

- A description of the item or service.
- The reasons why alternate procurement conditions exist, including findings of fact.
- A description of the efforts used to determine that the procurement qualifies for the alternate procurement method requested, such as:

  Names of publications, newspapers, affidavits of publication, a copy of the Ad Order, etc., if advertised - a list of vendors contacted - a copy of the Request for Interest letter, etc.

- If necessary, the negative effects if the RAP is disapproved should be discussed.
- **Factual evidence sufficient to support an independent examination and determination of the material facts.**

In addition, RAPs must address the following:

Single Source

1. why it is not practicable to award a contract by competitive sealed bidding, competitive sealed proposals, or small procurement procedures, as applicable;
2. why award to a single source is in the state's best interest based on the definition of “in the state’s best interest” referenced under 2 AAC 12.415; and
3. the specific and significant interests to support the use of a single source procurement method.

Limited Competition

1. why the solicitation should be limited; and
2. why the competitive sealed bidding, competitive sealed proposals, or small procurement procedures, as applicable, are impracticable or contrary to the public interest.

Emergency

1. why emergency conditions exist;
2. why procurement through competitive sealed bidding, competitive sealed proposals, or small procurement procedures, as applicable, are impracticable or contrary to the public interest; and
3. the level of competition that will be utilized and reasons why such competition is practicable under the circumstances.

RAPs submitted to DGS that do not comply with these requirements will be returned to the requesting department. Single Source and Limited Competition RAPs approved at the department level must also comply with these standards.

Unanticipated Amendment

A significant number of Unanticipated Amendment RAPs submitted to DGS also fail to address the minimum requirements of law. Unanticipated amendments requested under 2 AAC 12.485 must specifically address the following four areas:

1. **Legitimacy** - whether the change is legitimate and due to unforeseen circumstances which occurred as work progressed, and whether the reasons for the change were unforeseen at the time the contract was established, as opposed to an effort to evade procurement requirements.
2. **Scope** - whether the additional work is within the scope of the original contract.
3. **Contract Clause** - whether the contract contains clauses authorizing modification.
4. **Extent** - whether the amendment represents any important general change which alters the essential identity or main purpose of the original contract, or is of such importance as to constitute a new undertaking.

PROCUREMENT PERSONNEL

Procurement personnel in each department should review RAPs before they are sent to DGS, or processed within their own department. Incomplete RAPs should not be forwarded for approval.

RAP training is available periodically from DGS. See the below web site for further information regarding procurement training:

http://www.state.ak.us/local/akpages/ADMIN/dgs/train.htm

A State official that knowingly makes a false statement in a determination made under AS 36.30.300 - 36.30.310 is guilty of a class A misdemeanor.

Procurement Information Message #48 **November 1999**
Division of General Services **Juneau 465-2250**

CISCO SWITCHES, ROUTERS AND MAINTENANCE

The Department of Administration's Information Technology Group (ITG) has awarded a mandatory contract for Cisco switches. The new contract with GCI provides a 30.1% discount from the current catalog price (effective 5/14/99). In addition to the contract for Cisco switches, ITG also has the following contracts for Cisco equipment and maintenance currently in effect:

CISCO ROUTERS AND RELATED ACCESSORIES

Contract Award 27663
Vendor: Cisco Systems
Expires: January 25, 2000
31% discount from current catalog prices

CISCO SWITCHES

Contract Award 99-039a
Vendor: GCI
Expires: May 13, 2000
30.1% discount from current catalog pricing

CISCO ROUTER MAINTENANCE

CONTRACT AWARD 27662
Vendor: Cisco Systems
Expires: December 31, 1999

All requests for Cisco routers or switches must be placed in writing with:

Information Technology Group
5900 East Tudor Road
Anchorage, Alaska 99507

Primary Contact: ***Stan Herrera***

Network Services Manager
(907) 269-6724

GCI and Cisco Systems have been instructed to accept State of Alaska purchasing documents for Cisco equipment only from ITG. Requesting agencies may procure Cisco networking maintenance under their own authority for Cisco Routers on Contract Award 27662.

Information regarding Cisco products and maintenance can be found in the Contract Award Manual:
http://www.state.ak.us/local/akpages/ADMIN/dgs/cam/pdf/11ciscoswitches.pdf

Procurement Information Message #49 **November 1999**
Division of General Services **Juneau 465-2250**

STATEWIDE COPIER CONTRACT

The Division of General Services currently administers ten contracts for the purchase and lease of photocopiers. This PIM is issued to remind agencies of the procedures required to use when deciding which copier to purchase.

When an agency has a copier requirement, the Contractor offering the lowest priced copier in the lot chosen must be contacted first. If, for any reason, the lowest priced machine does not meet the agency's minimum requirements they will contact the Contractor offering the next lowest priced machine. This process will continue until a copier that meets all applicable requirements is identified.

If the lowest priced copier from the applicable lot is not selected, the procurement officer must process a written determination stating the reason(s) for selecting a higher priced unit. If agencies have a need for options that are not included in the base lease or purchase bid price, they must compare the cost of similar accessories between bidders within the copier lot to attain the lowest overall cost for the required copier. If a copier is purchased with the intention of entering into a maintenance agreement, the cost of maintenance should also be considered when choosing the lowest cost machine. All written determinations must remain in the procurement file.

Section four of the Contract Award Manual (CAM) on the General Services web page (*http://www.state.ak.us/local/akpages/ADMIN/dgs/purchasing)* contains two PDF documents. The first, titled "Copy Machines," contains a list of all copiers that are offered on contract with both purchase and lease prices shown (not all copiers on contract have a lease option). The other, titled "Copier Terms and Conditions," contains the contract terms and conditions as well as a list of vendors, Contract Award numbers and contact names and phone numbers.

When deciding which copier to purchase, it is the procurement officer's responsibility to verify that machines offered by a vendor as contract items are in fact on contract. If a vendor offers a copier as part of their State of Alaska Contract Award which is not listed in the CAM, the agency should contact the DGS Contracting Officer listed in section four of the CAM for verification.

If you have any questions regarding any of the Statewide copier contracts, you can call the Division of General Services at 907-465-2250.

Procurement Information Message #50 **January 2000**
Division of General Services **Juneau 465-2250**

ELIMINATION OF AUTHORITY TO SEEK PROFESSIONAL SERVICES (ASPS) FORM

The Division of General Services (DGS) has determined that the Authority to Seek Professional Services (ASPS) form is obsolete. As a result, DGS has decided to make use of the form nonmandatory. This PIM is issued to notify agencies of this change.

HISTORY:
The ASPS form was originally developed when the Contract Review Committee (CRC) existed and reviewed all professional services contracts. Since the CRC was disbanded, the ASPS form has been utilized as a tracking devise by state agencies.

With the advent of the "Reservation System" in DGS, the ASPS form no longer serves it's original intended purpose. Keep in mind that departments may still decide to use the form at their discretion, however, the Division of General Services will no longer maintain the form or have the form available for distribution.

This change also removes any requirements regarding ASPS amendments that your department may have in place. Please notify your departmental employees of this change.

Departments are reminded that they are required to obtain a solicitation number for all formal RFPs and ITBs (over $50,000) from the DGS Reservation System by calling (907) 465-2250.

Procurement Information Message #51 **January 2000**
Division of General Services **Juneau 465-2250**

AVIS CAR RENTAL CONTRACT

This notice serves to clarify several issues regarding the use of the AVIS car rental contract, contract award #24490. This contract is mandatory for the Anchorage, Fairbanks and Juneau areas.

There have been questions regarding whether members of State of Alaska Boards and Commissions are entitled to use of this contract with AVIS.

When members of these Boards and Commissions travel for the State, by law, they are defined as State employees and as such they must use the contract for car rentals as required in the Anchorage, Fairbanks and Juneau areas. A current list of qualified Boards and Commissions can be found on the Office of the Governor's home page at:

http://www.gov.state.ak.us/boards/bcinfo.htm

The current list contains 117 different Boards and Commissions. Please use this list to verify if your Board or Commission qualifies for the use of this contract.

There have also been questions as to whether State employees are entitled to incentive programs offered by AVIS.

Individuals using the State contract for AVIS rental cars are not entitled to incentive programs offered by AVIS. Currently AVIS provides frequent flyer miles as one of those incentives. AVIS does not offer this incentive to State employees who use the State contract in the Anchorage, Fairbanks or Juneau.

AVIS has requested that we ask State renters to discontinue requesting credits for their personal mileage plans as this creates an unnecessary workload for AVIS to research each rental to verify its validity.

Remember that the AVIS car rental contract is mandatory in Anchorage, Fairbanks and Juneau. State employees are required to rent from AVIS in these three locations. You may contact another company for service only after AVIS informs you they have no vehicles available.

Should you have any questions about the AVIS contract, please contact the Division of General Services at 465-2250

Procurement Information Message #52 **March 2000**
Division of General Services **Juneau 465-2250**

STATE OF ALASKA ONLINE PUBLIC NOTICE SYSTEM

It is now mandatory for all state agencies to post notice of formal solicitations valued at more than $50,000 on the State of Alaska's Online Public Notice website and attach the electronic file(s) of the solicitation. This requires the entire ITB or RFP to be part of that posting, including all subsequent amendments to the solicitation. Vendors will then be able to view and download a copy of the solicitation directly from the Internet.

Documents may be attached in either HTML or PDF format. HTML will require the vendor to possess some type of Internet viewing software, such as Netscape or Microsoft Internet Explorer. PDF requires an Adobe Acrobat viewer, which is free software.

Additionally, to post the documents(s), the posting agency must also posses Adobe Acrobat in order to convert the solicitation document(s) to PDF format. Once the document(s) have been converted to a PDF format attaching the document is as simple as attaching any document to an Email message. You will be able to attach the document when making a new entry or updating a previous entry to the Online Public Notice system.

Because of the online notice requirement, the following language must be included on the cover page of all formal solicitations:

"**IMPORTANT NOTICE:** If you received this solicitation from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to receive subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your offer."

This notice is intended to give the Procurement Officer knowledge of a vendor that has downloaded the solicitation and, as such, it becomes the responsibility of the Procurement Officer to notify that vendor of any amendments to the solicitation.

The Online Public Notice system technically meets the requirements of 2AAC 12.130, however, agencies must continue to use either the DGS vendor lists or newspaper advertisements to provide notice to prospective vendors.

STEP BY STEP INSTRUCTIONS:

Converting a MS WORD file to PDF format
(to accomplish this the user must have the software Adobe Acrobat)

With the WORD document open select "File" and choose "Create Adobe PDF".

Then choose "create".

Next choose a new file name and select the file location to save the document.

Now hit print or OK.

The file is now being saved in the PDF format.

To add a solicitation to the Online Public Notice system and uploading a file

First, logon to the Online Public Notice system. You will need a user name and password issued by the Office of the Lieutenant Governor.

Once you are logged on, select “NEW NOTICE”, then select “NEW ENTRY”.

Complete the fields for a “new entry”, they include:
Title of the solicitation, Publish date, Archive date, Category, Department, Location (location should be statewide).

Next complete the body of the notice, containing all the pertinent information regarding the solicitation. This includes:
Issue date, Opening date, Procurement Officer, Contact phone numbers and address and the description of the solicitation.

Now attach the PDF or HTML file. Select “BROWSE” and locate the PDF or HTML file(s). Double click on the file to attach.

Finally, save and close.

To amend the notification

Once you are logged on select “UPDATE” and then select the notification to be updated.

Follow the instructions indicated above to amend the notification and be sure to attach the amendment file.

Procurement Information Message #53 **May 2000**
Division of General Services **Juneau 465-2250**

CHANGES IN THE REQUIREMENTS FOR ALASKA BIDDER'S PREFERENCE

This message is to advise all agencies that the State Procurement Code (AS 36.30) has been changed by an act of the legislature through SB220 to allow limited liability companies (LLCs) to qualify for the Alaska Bidder's Preference, provided that all members are residents of the state. SB 220 also clarifies the fact that limited liability partnerships (LLPs) qualify for the Alaska Bidder's Preference. LLCs and LLPs are legal business entities registered with the Department of Community and Economic Development, Division of Banking, Securities and Corporations, under AS 10.50 (LLCs) and AS 32.05 article 6 (LLPs). As a result of the passing of SB220, the following changes have been made to AS 36.30.170:

AS 36.30.170(b)(4) is amended to read:

(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, **is a limited liability company organized under AS 10.50 and all members are residents of the state**, or is a partnership **under AS 32.05 or AS 32.11** and all partners are residents of the state; and…

AS 36.30.170(e)(2) is amended to read:

(2) partnership **under AS 32.05 or AS 32.11** if each of the partners is a person with a disability;

AS 36.30.170(e)(3) is amended to read:

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

(4) corporation that is wholly owned by individuals and each of the individuals is a person with a disability.

These changes take effect immediately in accordance with AS 01.10.070(c). Please notify your procurement staff.

Procurement Information Message # 54 **December 2000**
Division of General Services **Juneau 465-2250**

EXEMPTIONS TO THE PROCUREMENT CODE (AS 36.30.850)

This message is issued to clarify the exemption to the State Procurement Code contained in AS 36.30.850 (b) (21) for contracts for "guest speakers or performers for an educational or cultural activity."

This exemption applies to guest speakers or performers who are hired for the main purpose of entertainment or informative, motivational, or inspirational speaking. Since it would be extremely difficult, if not impossible, to compare and evaluate these types of speakers or performers, they are exempt from the procurement code.

While each situation is unique, some examples of guest speakers or performers who would be exempt under this statutory reference are:

- A historical speaker for an Alaska Day luncheon
- A performing group (Chinese Acrobats, Dance Troupe, etc.)
- A comedian, magician or other entertainer
- A motivational speaker to talk at an awards banquet
- A master of ceremonies

Even though a guest speaker may be speaking on an educational topic, hiring them is still exempt from the procurement code if they are being hired only as a speaker, not as an educator to conduct training. Examples of people who would not be exempt from the procurement code include:

- Educators or speakers hired to conduct training
- An individual hired to facilitate a meeting
- An individual hired to teach a skill

This list in no means encompasses everyone who would or would not qualify for this particular exemption. Procurement officers should carefully consider each instance and make the determination based on the merits of each situation.

If you have questions on whether a procurement would qualify for the "guest speakers or performers for an educational or cultural activity" exemption, or any other exemption under 36.30.850, contact your department's procurement section or give DGS a call.

STATE OF ALASKA ONLINE PUBLIC NOTICE SYSTEM

It is now mandatory that all state agencies include the email address of an agency contact person on the notice page of the State of Alaska Online Public Notice system.

The reason for this addition is that some vendors have reported difficulty in downloading the solicitation document(s) that contain the agency contact numbers. The addition of the email address is intended to provide support to the vendors and assist them as necessary with the solicitation process.

The following is a summary of the previous requirements regarding the use of the Online Public Notice System.

1. All state agencies are requires to post notice of formal solicitations valued at more than $50,000.

2. The entire electronic file of the ITB or RFP is to be part of that posting, including all subsequent amendments to the solicitation.

3. Documents may be attached in either HTML or PDF format.

4. The following language must be included on the cover page of all formal solicitations:

   *"**IMPORTANT NOTICE:** If you received this solicitation from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to receive subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your offer."*

5. For step by step instructions on:

   converting a MS WORD file to PDF format,
   to upload an electronic file to the Online Public Notice system, and
   to amend the notification.

   Please see PIM #52 in its entirety.

The Online Public Notice system technically meets the requirements of 2AAC 12.130, however, agencies must continue to use either the DGS vendor lists or newspaper advertisements to provide notice to prospective vendors.

Procurement Information Message # 56 **April 2001**
Division of General Services **Juneau 465-2250**

CHANGES IN THE APPLICATION OF THE VARIOUS PROCUREMENT PREFERENCES

The Division of General Services in cooperation with the Department of Transportation recently reviewed the State's process for applying the various procurement preferences. Outlined below is a summary of revised procedures for applying procurement-related preferences:

Calculation of Preferences:

There are two basic groups of preferences that affect cost during the evaluation process. In Group One, the amount of the preference is based on the qualifying offeror's bid/proposal price. In Group Two, the amount of the preference is based on the lowest (adjusted from Group One) bid/proposal price received.

Group One - Alaska Bidder Preference, Alaska Product Preferences, and the Recycled Product Preference.

Group Two - Employment Program Preference, Alaskans with Disabilities Preference, Employers of People with Disabilities Preference, and the Local Agricultural and Fisheries Product Preference.

If more than one preference applies in a group, you may total all applicable percentages in that group and deduct them as a combined total. For example, if a bidder/proposer qualifies for the 5% Alaska Bidder Preference and a 3% Product Preference, their bid would be reduced by 8 percent. This is a departure from the former method of applying a 5% preference and then applying a 3% preference to the adjusted total.

A two-pass review is utilized to calculate the total amount of all preferences. During the first pass, add together all the applicable preferences in Group One and deduct them from the qualifying bid/proposal's raw price.

During the second pass, add together all applicable preferences in Group Two for each qualifying bidder/proposer and multiply the total by the lowest bid/proposal received. Then, deduct that amount from the qualifying bid/proposal's adjusted
price - after it has been reduced by any preferences in Group One.

Examples of two-pass preference calculations can be found on the DGS website at:
http://www.state.ak.us/local/akpages/ADMIN/dgs/policy.htm

Forest Products:

There has been some confusion in the past concerning preferences for forest products. There is only one preference for local forest products. The preference is contained in AS 36.15.050 – Local Agricultural and Fisheries Product Preference, which includes a 7% preference for local timber, lumber and associated products. AS 36.30.322 discusses the requirements for use of local forest products in procurement. However, this statute does not provide an additional preference.

Procurement Information Message 57# **April 2001**
Division of General Services **Juneau 465-2250**

PROCUREMENT OF SERVICES AND EMPLOYER/EMPLOYEE RELATIONSHIPS

The Division of General Services is currently revising the Alaska Administrative Manual, section 81.010 to provide updated information regarding employer/employee relationships when procuring services. The changes to the Administrative Manual are indicated below in italics.

The procurement process may be used to acquire the services of an independent contractor, however, the State cannot hire employees through the procurement process. Therefore, you must ensure an employer/employee relationship will not exist before using the procurement system.

The following conditions are indicators that an employer/employee relationship may exist:

- *The person is subject to the control of the State, not only as to what will be done but when, where, and how it will be done as opposed to allowing the individual to set their own work schedule. It is not necessary that the State actually direct or control the manner in which services are performed, it is only necessary the State has the right to do so;*
- *The State has the right to discharge the person or the person has the right to terminate services without incurring liability;*
- ***The State furnishes the tools, equipment, and a place to work for the individual performing the services;***
- ***The individual currently works for the State as an employee in the same field as the contract services.***
- ***It is expected that the State will hire this individual as an employee immediately following termination of the contract;***
- ***The individual had an official State appointment (including temporary) to provide the same or similar services during the past 12 months prior to the date the services are to commence;***
- ***The State currently pays employees to perform essentially the same duties to be preformed by the contractor.***

The following conditions are indicators that people are independent contractors:

- ***They are subject to control or direction by the State but only as to the result to be accomplished and the work to be done, not as to the means and methods for accomplishing the result;***
- ***They are in business providing a service to the public from which they may derive a profit or suffer a loss;***
- ***They are in business to provide the same or similar services to other entities or the general public.***

If you are not sure if it falls under the Procurement Code, you should check with your Department procurement staff or the State Accountant in the Division of Finance.

Procurement Information Message #58 **May 2001**
Division of General Services **Juneau 465-2250**

EXCEEDING SMALL PROCUREMENT THRESHOLDS (AS 36.30.320 & 2 AAC 12.400)

This message serves to provide guidance when individual competitive levels are exceeded in the course of receiving quotes or informal proposals. There are four basic levels of competition for supplies and services purchased under small procurements procedures (2 AAC 12.400):

(a) State Purchasing Card, $2,500 and less,
(b) Reasonable and Adequate Procedures, generally $5,000 and less, but may extend to $25,000 in certain instances,
(c) More than $5,000, but no more than $25,000, and
(d) More than $25,000, but no more than $50,000.

To decide which level of competition to use, a procurement officer must first estimate the total cost of the contract (including any renewal options).

For procurements made under 2 AAC 12.400 (b) or (c):

If the lowest quote or informal proposal exceeds the upper dollar limit established for **2 AAC 12.400 (b) or (c)**, but there was a reasonable basis for the initial cost estimate, the procurement does not have to be cancelled and re-solicited. The reason is that these two competitive levels include language that states, *"procurements estimated to cost."* However, in order to proceed with award the procurement officer must annotate the file. That is, justify the reasonableness of their initial cost estimate and include any relevant documentation in the procurement file.

If the lowest quote or informal proposal grossly exceeds the upper dollar limit, the procurement must be cancelled and re-solicited using the next highest competitive level. For example, the upper dollar limit for a procurement conducted under 2 AAC 12.400 (c) is $25,000. If the initial estimate for the contract is $23,000, but the lowest quote received is $45,000 (almost double), the agency must cancel and re-solicit using the next competitive level – 2 AAC 12.400 (d). Agencies must use good judgement when determining whether the initial cost estimate for a procurement under **2 AAC 12.400 (b) or (c)** was "reasonable."

For procurements made under 2 AAC 12.400 (a):

The respective upper dollar limits cannot be breached for procurements under (a) State Purchasing Card, $2,500 and less. This competitive level does not include the *"procurements estimated to cost"* language. However if the total cost exceeds $2,500, it may be possible to award the procurement under the next competitive level if contacting only one firm was "reasonable and adequate" under the circumstances.

For procurements made under 2 AAC 12.400 (d):

Although the language under (d) includes the "*estimated*" disclaimer, AS 36.30.320 specifically prohibits the use of small procurement procedures above $50,000. Therefore, if total costs exceed $50,000 the procurement must be cancelled.

Procurement Information Message #59 **October 2001**
Division of General Services **Juneau 465-2250**

DISCLOSURE OF VENDOR AND PEC MEMBER NAMES

There have been recent questions regarding what information can be disclosed during the procurement process. This message serves to provide guidance regarding the release of the names of vendors who received or responded to a solicitation and the disclosure of Proposal Evaluation Committee (PEC) membership.

FORMAL PROCUREMENTS:

Vendor lists

Formal procurements are now posted on the State's online public notice system. Vendors are able to download a copy of the solicitation and register with the procurement officer. As such, the vendor list constantly changes. It is the state's policy to keep the names of vendors who received a copy of a solicitation confidential until after issuance of the Notice of Intent to Award a Contract. However, if a DGS vendor list was used to provide public notice, the state may release the names of vendors that are currently on a specific commodity or service code.

The method of public notice may be disclosed prior to the Notice of Intent; Online Public Notice system, vendor list(s), newspaper ads, or notices posted in public places.

Names of firms who submitted a bid or proposal

The ITB process requires the name of each bidder, the bid price, and other information deemed relevant by the Procurement Officer to be tabulated at the bid opening (2 AAC 12.150). This information is open for public inspection as soon as practicable. However, the bids are not open for inspection until after the Notice of Intent to Award a Contract is issued.

The RFP process requires the Procurement Officer to prepare a register, including names and brief descriptions, after the receipt of proposals (2 AAC 12.240). The register and proposals **are not** open for public inspection until after the Notice of Intent is issued. Therefore, no information can be provided to the public regarding who submitted a proposal until after issuance of the Notice of Intent.

SMALL PROCUREMENTS:

When using small procurement procedures, the names of firms or persons solicited, the number of offers received or information regarding the offers must not be released until after award.

PROPOSAL EVALUATION COMMITTEE (PEC) MEMBERS

The names of members of a PEC need not be automatically disclosed before issuance of the Notice of Intent. However, if an offeror or other inquirer requests a list of names of PEC members, it may be released accompanied by a notice that the offeror or the inquirer must not contact PEC members.

PEC members should be aware that they cannot discuss or receive any outside information during the evaluation process. However, if the names of PEC members are released as outlined above, the procurement officer should notify the PEC members of the request and remind them not to discuss the proposals or accept any attempted communication from sources outside the state regarding the procurement.

Procurement Information Message #59 **March 2002**
Division of General Services **Juneau 465-2250**

STATEWIDE COPIER AND FAX CONTRACTS

The Division of General Services (DGS) has recently received vendor complaints about contract users not following the selection process set out in the statewide copier and fax contracts. The state's ability to use these multiple award contracts is contingent upon the proper selection of the lowest priced machine that meets an agency's need. DGS may be required to revert to single-award contracts if agencies do not closely adhere to the selection process identified in the contracts.

Users must review and follow the selection and documentation requirements before purchasing from either contract, located at:

http://intra1.admin.state.ak.us/public/cam/cam.php3#3

Vendors have been ranked for both copier and fax contracts and appear in each lot or group list in the correct (ranked) order. This ranking was done in accordance with specific criteria set out in each ITB. The selection processes are paraphrased below.

COPIER CONTRACT. The vendor at the top of the list in each lot must be considered first. If the highest-ranked copier from the lot does not meet an agency's needs the procurement officer must document in writing the reason(s) why. This process continues until a copier is selected. For example, if an agency buys the fifth copier on the list, the procurement officer must document, in writing, why the four less expensive copiers did not meet the agency's needs.

The highest placed or ranked copier (number 1 on the list in each lot) may not show the lowest purchase price, or the lowest lease/purchase price, but the highest placed (number 1) copier will have the lowest overall price based on the ranking criteria.

FAX CONTRACT. The first fax machine listed which meets the minimum requirements for that location (including any optional features) must be considered first. If the lowest priced fax machine from the applicable group is not selected, the procurement officer must document in writing to the procurement file the reason(s) why the lowest priced fax machine does not meet their needs. This process will continue until a fax machine is selected.

Both contracts have three conditions under which users may purchase copiers or fax machines outside of the contract: 1) a copier that costs less than $1,000 or a fax that costs less than $250, 2) a comparable copier has an actual cost savings of at least 10% off the contract price; a comparable fax has an actual cost savings of at least 5% off the contract price, and, 3) the copiers or fax machines on contract, or the terms and conditions of the contract, do not meet the agency's needs.

A determination that a particular copier or fax does not meet your agency's needs must specify, in detail, the reasoning behind the determination.

When deciding which copier or fax to purchase, it is the procurement officer's responsibility to verify that copiers or fax machines offered by vendors as being part of the State contract are, in fact, on contract. If a vendor offers a copier or fax that is not specifically listed in the Contract Award Manual (CAM), the agency must contact the DGS Contracting Officer listed in Section IV of the CAM for verification.

For questions regarding the statewide copier or fax contracts, please contact the Division of General Services at (907)465-2250.

Procurement Information Message #61 **January 2003**
Division of General Services **Juneau 465-2250**

CONSTRUCTION DEFINITION

INTRODUCTION

This document serves to provide guidance when determining whether or not a procurement meets the statutory definition of construction. It is important for Procurement Officers to make that determination prior to initiating a procurement. There are significant differences between construction and non-construction procurement types with respect to delegated authority, certification/warrant requirements, competitive levels, public notice, forms, procedures and reports.

Delegation - You must possess a written delegation of purchasing authority before initiating any procurement. The Department of Administration (DOA) delegates authority for non-construction procurements. The Department of Transportation and Public Facilities (DOT/PF) delegates authority for construction procurements.

Certification/Warrant – Before exercising a delegation from DOA you must possess an appropriate Procurement Officer's Certificate. Prior to exercising a delegation from DOT/PF you must possess a Construction Contracting Warrant commensurate with the type and dollar amount of the procurement.

Competitive Levels - Non-construction contracts have a small procurement dollar limit of $50,000. The small procurement limit for construction contracts is $100,000.

Public Notice – Non-construction procurements must comply with DOA's public notice and online posting requirements. DOT/PF has public notice and online posting requirements that must be met for construction procurements (see DPDR 10.02.014).

Forms, Procedures & Reports – Non-construction procurements are subject to Sections 81 and 82 of the Alaska Administration Manual, DOA's forms and reporting requirements. Construction procurements are subject to DOT/PF's procedure manuals, forms and reporting requirements.

The definition of construction under AS 36.30.990(b)(6) reads:

"construction" means the process of building, altering, repairing, maintaining, improving, or demolishing a public highway, structure, building, or other public improvement of any kind to real property other than privately owned real property leased for the use of agencies; it includes services and professional services relating to planning and design required for the construction; it does not include the routine operation of a public improvement to real property nor does it include the construction of public housing;

Construction includes the following activities:

- **Altering -** to make different without changing into something else.
- **Building -** to form by ordering and uniting materials by gradual means into a composite whole.
- **Demolishing -** to destroy or tear down.
- **Improving** - to make useful additions or betterment.
- **Maintaining** - work necessary to preserve or maintain a facility so it can be used for its designated purpose.
- **Repairing** - to mend, remedy, restore, or renovate an existing structure to restore it to its original condition.

To assist you in making the construction vs. non-construction determination, guidelines and examples are provided for four separate contract types: 1) Supplies and Materials; 2) Services; 3) Architectural/Engineering/Land Surveying and 4) Professional Services. Keep in mind that construction

procurements related to *"privately owned real property leased for the use of agencies"* do not meet the definition of construction and thus fall under DOA's delegation and procedures.

SUPPLIES AND MATERIALS

The definition of construction under AS 36.30.990(b)(6) includes "*the process of building, altering, repairing, maintaining, improving, or demolishing a public highway, structure, building, or other public improvement…*" Generally, supplies and materials used in a construction project meet the statutory definition of construction and are procured under DOT/PF's delegated authority. For example:

- building materials, lumber, aggregate, paint, etc.

Items that are attached to a facility by means of a hard connection would also meet the definition of construction. For example, a built-in dishwasher that is attached to the building structurally, hard wired to the electrical system and plumbed to the mechanical system meets the construction definition. However, a portable dishwasher that is easily movable, plugs into an existing outlet and attaches in some temporary fashion to the mechanical system would not be considered construction.

Supplies and materials that are not directly related to a construction project fall under DOA's delegated authority for non-construction procurements. Examples:

- office equipment and supplies used to deliver the construction projects
- fuel, electricity and other utilities that facilitate the routine operation of the facility

SERVICES

The following examples are provided to define services that are considered construction procurements. These procurements fall under DOT/PF's delegated authority:

- maintenance, repair, or replacement of a facility's boiler
- maintenance, repair, or replacement of a building's roof
- painting both the interior and exterior of buildings or other state facilities
- heavy equipment rented for use on a construction project
- clearing and grubbing relating to a construction project
- removal of material when it relates to the demolition or construction of a state facility
- demolition of a building or facility
- carpet replacement
- installation of security systems, public address systems and associated maintenance contracts
- building caulking
- elevator, fire alarm and sprinkler maintenance contracts

The following examples are provided to define non-construction services that fall under DOA's delegated procurement authority:

- security guards
- furniture installation, systems furniture
- environmental remediation or cleanup (i.e. oil clean up)
- heavy equipment rentals for environmental remediation
- telephones or cable television

The following routine maintenance and repair contracts meet the statutory definition of "construction." Agencies may award these, and similar types of routine maintenance and repair contracts under delegations issued by DOT/PF or DOA. Agencies must comply with all aspects of the departmental delegation they select, including certification/warrant requirements, public notice, forms, procedures and reporting requirements. However, the $100,000 small procurement threshold would apply under either delegation.

- janitorial
- parking lot maintenance, including striping, patching, snow plowing and sanding
- lawn care
- window washing

ARCHITECTURAL/ENGINEERING/LAND SURVEYING

The Request for Proposal process is used for the selection of Architects, Engineers and Land Surveyors when seeking professional services for construction projects. These contracts are subject to AS 36.30.270 which requires a qualifications based selection process. Architectural, Engineering or Land Surveyor contracts that do not directly relate to construction fall under DOA's delegation. For example:

- an architectural contract for space planning or the design of a systems furniture layout

PROFESSIONAL SERVICES

Since the definition of construction under AS 36.30.990(b)(6) includes "*professional services relating to planning and design required for the construction*", a professional services contract related to a specific construction project meets the definition of construction and is procured under DOT/PF's authority. Price must be considered during evaluation of these contracts. Examples:

- a study to determine the effect a public works project will have on wildlife populations
- aerial photography to assist in project development
- real estate appraisals and other professional services necessary to acquire land for the construction of a project

Professional services contracts that are not related to *"planning and design required for construction*" fall under the DOA's delegated authority for non-construction and are subject to the non-construction procurement laws and procedures:

- environmental, wildlife or fisheries studies not associated with a construction project
- marketing/ public relations services
- economic analysis

If you have questions regarding a particular procurement contact your department's procurement section, Division of General Services or DOT/PF for assistance.

Keep in mind that the criteria used to determine the applicability of Wage and Hour determinations is different than the criteria discussed in this document. Contact the Department of Labor with questions regarding Little Davis-Bacon prevailing wage requirements.

Procurement Information Message #62 **February 2003**
Division of General Services **Juneau 465-2250**

MODIFICATIONS TO INSURANCE REQUIREMENTS

INTRODUCTION

Over the past several months there has been an increased amount of confusion with regard to negotiating the standard insurance requirements (Appendix B1, Appendix B2, or DGS's standard bidding documents) of a procurement. This document serves to provide guidance to procurement officers as to when material changes[2] to the standard insurance requirements may be negotiated (or other material term or condition for that matter), and when they may not be negotiated during the procurement process.

REQUIRED APPROVAL

The Division of Risk Management (Risk Management) must first approve any requested changes to the standard insurance requirements per AAM 81.170, which states:

…Any revision of the standard insurance or hold harmless clauses requires prior approval of the Division of Risk Management.

DURING THE SOLICITATION PROCESS

Once Risk Management has granted approval of a material change to the standard insurance requirements, such as a reduction in the required coverage, the change must be addressed in the form of an amendment to the solicitation and sent to all parties who were originally solicited. The date/time set for response receipt may need to be adjusted accordingly.

AFTER RESPONSES ARE DUE, BUT BEFORE AWARD

The Request for Proposal and Informal Proposal methods of procurement both allow for amendments to the solicitation after the date/time set for receipt of responses has passed. In most cases, changes to the standard insurance requirements are considered material. Therefore, once approved by Risk Management, the change must be addressed in an amendment to the solicitation and a new date/time established for receipt of revised responses.

In addition, there is some flexibility within the single source and emergency (certain circumstances) categories of the alternate procurement process with regard to making material changes under these circumstances.

In other methods of procurement, material changes to a solicitation are not allowed after the date/time set for receipt of responses has passed. If a material change is deemed necessary under these circumstances, the solicitation must be cancelled, and the requirement resolicited.

AFTER CONTRACT AWARD

Making a material change such as lowering the levels of required insurance after a contract has been awarded is generally not acceptable. However, there may be some exceptions to this rule. Some possible exceptions are:

1. Contracts awarded as a result of single source or certain emergency type procurements involving only one vendor.

2. A change in the insurance industry has caused the State's insurance requirements to be an undue financial burden on the contractor. In this case, after approval from Risk Management to lower the required levels of insurance, the most appropriate course of action would be to continue the contract on a temporary basis until the requirement can be resolicited.

[2] A change that has more than a negligible effect on price, quantity, quality, or delivery.

In most cases, if Risk Management agrees to lower the insurance requirements after the award of a contract and the contractor receives a cost benefit, the State should negotiate a comparable reduction in the contract price.

If you have any question as to whether a requested modification to the standard insurance requirements is considered a material change or not, please contact your department's procurement section or give DGS a call.

Procurement Information Message #63 **April 2003**
Division of General Services **Juneau 465-2250**

CHANGES IN THE MINIMUM PERCENTAGE FOR COST EVALUATION

The purpose of this message is to inform state agencies of changes to the minimum weight allowed for cost evaluation associated with the formal and informal request for proposal process. These changes have been made as a cost saving measure under the new administration, **and they affect solicitations issued on, or after, May 1, 2003.**

FORMAL REQUEST FOR PROPOSALS – AAM 81.470(3)

Agencies are now required to give cost a **minimum weight of 60% for professional and non-professional services contracts, 75% for supply contracts, and between 60% and 75% for procurements involving a combination of both**.

If, for some reason this is contrary to the public interest, a written request to weigh cost below the minimums mentioned above must be forwarded to the **Chief Procurement Officer** for approval. The request must explain with particularity why it is not in the State's best interest to use the minimum percentages identified above for price evaluation, and why those minimums will prevent the agency from accomplishing its public mission.

INFORMAL REQUEST FOR PROPOSALS – AAM 81.020

Under the informal request for proposal process, the minimum weights allowed for cost evaluation are the same as those identified in the formal request for proposals section of this message.

If, for some reason this is contrary to the public interest, a written request to weigh cost below the minimums mentioned above must be forwarded to the **commissioner of the contracting agency** for approval. The request must explain with particularity why it is not in the State's best interest to use the minimum percentages identified above for price evaluation, and why those minimums will prevent the agency from accomplishing its public mission.

A copy of all waivers approved for informal proposals shall be forwarded to the Division of General Services.

The new minimum percentages for cost evaluation (60% for professional and non-professional services contracts, 75% for supply contracts, and between 60% and 75% for procurements involving a combination of both) must be applied to the actual proposal costs which are converted to points objectively per AAM 81.470(3). The minimum cost percentages shall not include evaluation criteria such as "Reasonableness of Budget", "Feasibility of Costs", "Sufficiency of Budgets", and similar factors which are scored subjectively.

The legal definitions for supplies and services contracts are contained in AS 36.30.990. Professional services agreements are defined in AAM 82.430.

If you have any questions regarding this message, please contact your department's procurement section, or give General Services a call.

Procurement Information Message #64 **April 2003**
Division of General Services **Juneau 465-2250**

CHANGES IN PUBLIC NOTICE REQUIREMENTS FOR FORMAL SOLICITATIONS AND ALTERNATE PROCUREMENTS

This message serves to inform state agencies of changes to the public notice requirements for formal solicitations and instances when newspaper advertisements are used to confirm and/or document alternate procurements. The following advertisement recently appeared in the Juneau, Anchorage and Fairbanks newspapers:

The State of Alaska does not plan to run newspaper advertisements in the future as a method to confirm and/or document Alternate Procurement situations under Article 04 of the State Procurement Code (AS 36.30.300 - 310). Instead, appropriate notices will be placed on the Alaska Online Public Notice system.

The State of Alaska also utilizes the Online Public Notice system to provide public notice of invitations to bid (ITB) and requests for proposals (RFP). A change to State Regulation 2 AAC 12.130(a) allows such postings to serve as the minimum public notice requirement. As such, the state may not provide additional public notice of formal solicitations via vendor bid lists or newspaper advertisements.

Interested parties should visit the Alaska Online Public Notice system frequently to learn of State procurement opportunities.

Keep in mind that posting the intent to award an alternate procurement online does not automatically mean that an alternate procurement will be approved. Sufficient factual evidence must also be provided to allow the independent determination that the procurement is eligible for the alternate method requested (AS 36.30.315). General Services may require the submittal of additional forms of evidence when online posting is the primary justification for an alternate procurement.

The posting of formal solicitations at the Online Public Notice system now meets the minimum public notice requirement under 2 AAC 12.130(a). However, additional forms of public notice such as vendor lists, newspaper advertisements, etc. may be appropriate, and in some in instances required when the sole use of online posting will not result in adequate notification to the appropriate vendor community.

Procurement Information Message #65 October 2003
Division of General Services Juneau 465-2250

PERMISSIVE PRICE AGREEMENTS

The State of Alaska has negotiated price discounts with various vendors throughout the state in the form of Permissive Price Agreements. These agreements have been established to assist state agencies (and in some cases political subdivision of the state). Purchases that qualify for this program are for amounts **of $5,000 or less**, under reasonable and adequate competition procedures[1]. **These agreements are not considered procurements** - the actual procurement occurs when the state agency makes the purchase in accordance with the procurement laws, regulations, and policies of the State of Alaska.

These agreements can be found in the purchasing section of the Division of General Services website at http://www.state.ak.us/local/akpages/ADMIN/dgs/pdf/permpragr.pdf

Click on the ***Permissive Price Agreement*** button and a document will open up which lists all of the established agreements with pertinent vendor contact information and discount structures offered by each vendor. The agreements are listed alphabetically by commodity.

Agreements have been established with the following vendors:

Alaska Safety	Brown's Electrical	Eagle Enterprises
Fasteners & Fire Eq.	Graybar Electrical	Safety, Inc.
Stewart's Photo Shop		

The Division of General Services will continue to work with the vendor community of Alaska in an effort to establish additional agreements, and will announce all newly established agreements to the procurement officials of the state.

If you have any questions about the Permissive Price Agreement Program, please contact the Division of General Services at 465-5679.

[1] Please keep in mind that AAM 81.020 requires that we consider price, similarity of product, and predictability when determining the appropriate level of competition for a procurement or group of procurements. You should carefully review the cost of repetitive purchases of similar items on an annual basis and consolidate the items under one procurement if appropriate – which may require an increase in the level of competition used.

Procurement Information Message #66 **October 2003**
Division of General Services **Juneau 465-2250**

ACQUIRING COPY MACHINES

The purpose of this policy is to provide procedures for acquiring copy machines. Adherence to this policy is required within the city limits of Anchorage, Fairbanks and Juneau.

The Division of General Services (DGS) is in the process of establishing non-mandatory duplication service contracts in Anchorage, Fairbanks and Juneau. The contracts will include pick-up and delivery services as well as electronic options for transferring files to the vendor. These contracts will reduce the need for agency high-speed copiers and provide expanded binding and finishing services beyond those available on most office copiers. Agencies are expected to utilize the duplication service contracts to the extent practicable.

ALL NEW COPY MACHINES: All new copiers must meet a minimum of 60 percent utilization. Utilization is calculated by dividing the estimated number of copies per month by the monthly maintenance volume. Agencies must evaluate and justify all new copier acquisitions by completing a DGS Copier Evaluation Form. All forms must be approved by the agencies Administrative Services Director and copiers with a speed of 40 copies per minute (cpm) or more must be approved by DGS.

BELOW 40 CPM: Agencies must complete a DGS Copier Evaluation Form. DGS approval is not required for copiers below 40 cpm. However, the form must be completed by the agency prior to copier acquisition and kept with the procurement file.

ABOVE 40 CPM: Agencies are required to obtain DGS approval prior to purchasing or leasing copiers with a copy speed of 40 cpm or more. Prior approval must be obtained by submitting a completed Copier Evaluation Form to DGS. Approval will be based on the following:

- The copier's ability to meet at least 60 percent utilization.
- The agency must demonstrate why their mission cannot be met through the duplication services contract or by using existing copiers in their department. This restriction may be waived if the department can justify how this policy will substantially hinder their work process.

The Copier Evaluation Form is located on the DGS Purchasing Documents website at: http://www.state.ak.us/local/akpages/ADMIN/dgs/policy.htm

Procurement Information Message #67 **December 2003**
Division of General Services **Juneau 465-2250**

PERMISSIVE PRICE AGREEMENTS

In October of 2003, the Division of General Services issued PIM #65 announcing the formation of the Permissive Price Agreement Program. There are now eight vendors who have signed agreements under this program, and those vendors have offered substantial discount structures to the state based on the state's purchasing volume history.

Although these agreements are not considered procurements, state agencies are directed to consider, to the greatest degree possible, the utilization of these agreements for purchases of commodities covered by the various agreements.

Agencies that fail to utilize these agreements to their maximum potential risk restriction or revocation of their delegated purchasing authority, except for circumstances where vendors not participating in the program offer lower pricing.

Procurement Information Message #68 **February 2004**
Division of General Services **Juneau 465-2250**

DUPLICATION SERVICES

The Division of General Services (DGS) has established contracts for duplication services in Juneau and Anchorage. We anticipate the award of a contract in Fairbanks in the near future. These contracts are conditionally mandatory in that when seeking outside duplication services, these contracts must be used unless a savings of at least 5% under contract prices can be realized off-contract.

The duplication services contracts offer a variety of other services in addition to simple black or color copying, including:

- Various binding methods: Saddle-stitch, side-wire stitch, thermal, mechanical, looseleaf, unbound signature, and single-staple;
- Folding, creasing;
- Drilling;
- Shrink wrapping;
- Perforating;
- Inserts;
- Special boxing;
- Shipment to multiple destinations;
- Multiple delivery options.

Copies may be made on various paper sizes and all contractors can accept your original documents in electronic format delivered via e-mail or FTP.

A website has been created to provide guidance in using these contracts and DGS strongly recommends that the calculator portion of the website be used in the pricing and contractor selection for your individual orders. The site may be found at:

http://intra1.admin.state.ak.us/dgs/vendor

This website has been tested to work best with Internet Explorer 5.5 and newer.

When seeking outside copying services, attention should be paid to ensure compliance with AAM 83. State Publications.

Procurement Information Message #69 **March 2004**
Division of General Services **Juneau 465-2250**

OFFICE MOVES SUPPLIES AND SERVICES

The Division of General Services (DGS) has established non-mandatory one-year Office Move Supplies and Services contracts in Juneau, Fairbanks, Anchorage, Eagle River, Palmer, and Wasilla. State agencies are required to contact the top ranked contractor at least 30-90 days prior to the anticipated move to allow time for appropriate scheduling.

The contracts cover supplies and services for moves in which an office site is physically vacated and its contents moved to another location. It is not intended for re-arranging an office when an agency is staying in the same space.

Supplies and services include, but are not limited to, move related items, such as boxes etc., and local office move related services, such as labor, systems furniture breakdown and re-assembly, and electrical services. These contracts may be used for supply purchases valued at $100 and above and services valued at $5,000 and above. Purchases below those amounts may be allowed, but at the contractor's discretion.

Leased Facilities:
Previously, the Leasing Section of DGS required new lessors to be responsible for, and include the cost of moving in its bid or proposal. With the establishment of these contracts, agencies will be responsible for contracting directly with the moving contractor. Moving services will not be included in lease solicitations. Agencies may contact DGS' Leasing Section for additional information.

A complete listing of the terms and conditions, contractors, selection process, and other important contract information can be found in Section XI of the Contract Awards Manual (CAM):

http://intra1.admin.state.ak.us/public/cam/cam.php3

BRAND SPECIFIC DETERMINATIONS AND STANDARDS

The purpose of this policy is to provide guidance for making brand specific purchases due to standardization issues, e.g., purchasing a particular item due to compatibility reasons or technology products based on statewide standards. Procurement officers must include a written brand specific determination per 2 AAC 12.100[3] in the procurement file when competition is limited to a single brand or product, even if the limitation is based on standardization.

Agency Standardization

2 AAC 12.100 (a) and (b) state that a brand specific determination is not required for procurements of $2,500 and less made with the state designated purchasing card, or reasonable and adequate procedure procurements, generally $5,000 and less. For purchases above $5,000, the procurement officer is required to make a written brand specific determination prior to the purchase if it is in the state's best interest to standardize on a specific brand or product.

Technology Purchases

The Department of Administration, Technology Management Council (TMC) establishes statewide technology standards. However, the procurement officer is still required to make a written determination for brand specific technology purchases above $5,000. The written determination should include the following language:

In accordance with 36.30.060 and 2 AAC 12.100, I have determined that only (*Insert brand and model number*) will satisfy the state's needs. The Department of Administration, Technology Management Council has established a standard for this item. State agencies are not allowed to procure other brands.

_____ _____

Procurement Officer Date

RAPs and Existing Contracts

If only one source can supply a brand specific requirement, a single source Request for Alternate Procurement (RAP) must be approved for all purchases above $5,000. Neither a brand specific determination nor a single source RAP is required if the purchase is made from an existing state contract (unless the terms of the contract require a determination). Therefore, for purchases based on standardization issues procurement officers must still make a written brand specific determination per 2 AAC 12.100 unless a RAP is approved or the purchase is made from an existing contract.

[3] 2 AAC 12.100. **BRAND NAME SPECIFICATION** Except for specifications relating to procurements under 2 AAC 12.400 (a) or (b), a specification that limits the procurement of items to a specific manufacturer's name or catalog number may be used only if the procurement officer determines in writing that only the identified brand name item or items will satisfy the state's needs. *(Eff. 1/1/88, Register 104; am 11/28/97, Register 144)*
Authority
AS 36.30.040
AS 36.30.060

Procurement Information Message #71 **October 2004**
Division of General Services **Juneau 465-2250**

FOREIGN OUTSOURCING IN STATE CONTRACTS FOR SERVICES

As a result of A.O. 216 issued by Governor Murkowski on August 5, 2004, the Division of General Services (DGS) has developed the following policy and procedures regarding foreign outsourcing (ref. AAM 81.015). This policy affects all state solicitations and contracts above $25,000 for professional services and non-professional services issued on, or after October 15, 2004, including alternate and exempt procurements. Professional services and services are defined under AS 36.30.990(19) & (21).

NOTE: This policy does not apply to contracts for "supplies" as defined under AS 36.30.990 (24), even though some items purchased may include warranty and/or maintenance services that are provided by vendors located outside the United States.

POLICY: In an effort to ensure that funds spent on state service contracts provide the maximum economic benefit to the State of Alaska and the United States, the State of Alaska shall require all service contracts above $25,000 to be performed in the United States, unless a waiver is approved by the Chief Procurement Officer.

PROCEDURE: To assist agency procurement officers, the following clause has been added to the mandatory phrase section of the ITB and RFP shell documents located on the DGS website at the following location: http://www.state.ak.us/local/akpages/ADMIN/dgs/policy.htm

> **FOREIGN CONTRACTING:** *By signature on this solicitation, the offeror certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States. Failure to comply with this requirement will cause the state to reject the bid or proposal as non-responsive, or cancel the contract.*

The clause must also be included in all informal RFPs, RFQs, alternate and exempt procurement solicitations and contracts above $25,000 for professional and non-professional services. The first sentence of the clause may be changed to, "By signature on this contract…" for negotiated procurements.

If an agency believes that is in the states best interest to contract with a vendor to provide services from outside the United States, the agency may submit a request for waiver to the Chief Procurement Officer for approval.

The request for waiver must address the following:

1. Why it is in the states best interest to allow the services to be performed outside the United States, and
2. Why limiting competition to service providers located in the United States could damage the agency's ability to accomplish its public mission.

If the waiver is approved, all offerors shall be required to provide a certified list verifying the country(ies) the contracted or subcontracted work will be performed. A copy of the list must be maintained in the procurement file. If a numerical scoring method is utilized, state agencies are encouraged to evaluate and consider the percentage of work to be performed outside the United States as compared to work to be performed inside the Unites States.

The following types of contracts may involve services provided outside the country and do not require a waiver:

Statutory Exemption - AS 36.30.850(31) "Contracts that are to be performed in an area outside the country and that require a knowledge of the customs, procedures, rules, or laws of the area".

Foreign Offices - Agencies with offices located overseas may require foreign contractors to perform work for the State of Alaska.

If you have any questions regarding this message, please contact your department's procurement section, or give the Division of General Services a call at 465-2250.