

HOW TO DO BUSINESS WITH THE STATE OF ALASKA

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PREPARED BY THE DIVISION OF GENERAL SERVICES, PURCHASING SECTION:

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INTRODUCTION

The Department of Administration, Division of General Services, is responsible for the centralized purchasing of supplies and services for the Executive Branch of State government. Equipment for the State Equipment Fleet and construction is purchased through the Department of Transportation and Public Facilities. The Department of Natural Resources, Division of Parks, is responsible for park and campground construction.

Requests for Proposals or Invitations to Bid are generally required for the purchase of supplies and services valued at more than \$100,000. Purchasing authority is delegated to individual departments in unlimited amounts. Each department issues single agency Requests for Quotations, Invitations to Bid, and Requests for Proposals.

The Division of General Services provides procurement training, consulting, and establishes multi-agency term contracts for use by all Executive Branch agencies, and in many cases Political subdivisions. All procurements are performed in accordance with Alaska Statutes (AS) 36.15, AS 36.30 and 2 AAC Chapter 12. These statutes and regulations are available for review at legislative information offices, libraries and many other State offices including General Services' purchasing offices.

The State Procurement Code, as well as our purchasing policies and procedures have been developed to:

1. obtain agencies supplies and services at a fair price, and at the right time so they may perform their public mission;
2. simplify, clarify, and modernize the law governing State procurement;
3. establish consistent procurement principles for the Executive Branch;
4. provide for increased public confidence in the procedures followed in State procurement;
5. ensure the fair and equitable treatment of all persons who deal with State procurement;
6. provide increased economy in State procurement and maximize the purchasing value of State funds;
7. foster effective, broad-based competition within the free enterprise system;
8. protect the quality and integrity of the state's procurement system;
9. permit the continued development of State procurement practices and policies;

10. eliminate and prevent discrimination in State contracting based on race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, handicap, or political affiliation.

SMALL PURCHASES

Supplies, services, and professional services with an estimated value of \$10,000 to \$100,000 may be purchased by the using department through price quotations or informal proposals solicited from at least three responsible offerors. Items and services valued at \$10,000 or less may be purchased without competition if the procurement officer believes pricing is reasonable. Supplies, services, and professional services valued from \$10,001 to \$50,000 must be purchased through quotations or informal proposals, either written or verbal. For procurements valued from \$50,001 to \$100,000, at least three firms or persons must be contacted for written quotes or proposals.

LARGER PURCHASES

For the procurement of supplies, services, or professional services with an estimated value of more than \$100,000, Invitations to Bid and Requests for Proposals are posted on the State of Alaska's [Online Public Notice System](#). The State contractors list for the supply or service being purchased or other forms of advertising may be used. Delivery orders, purchase orders, contract awards, and leases are usually issued as a result of these competitive solicitations.

Delivery orders are used for both one-time purchases and term contracts.

Purchase orders are usually issued to make one-time purchases of a specific quantity of supplies or services at a specific time for a specific price.

Contract awards are usually issued to purchase specific supplies or services at a pre-determined price and for a pre-determined length of time.

Leases are usually awarded to rent specific space in a building at a pre-determined price and for a pre-determined length of time.

The Online Public Notice System is located at: <http://aws.state.ak.us/OnlinePublicNotices/>

LEASED SPACE

Leases for office space for the Executive Branch are procured through the Division of General Services' Leasing Section.

The Leasing Section's website is located at: <http://doa.alaska.gov/dgs/leasing/>

At the time of occupancy, all lease space acquired for the Executive Branch must be accessible to the disabled in accordance with the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities.

(ADAAG, Appendix A to 28 CFR part 36).

CONSTRUCTION

The Department of Transportation and Public Facilities (DOT&PF) is responsible for most construction projects such as highways, airports, harbors, and public buildings. DOT&PF may delegate construction procurement authority to other Executive Branch departments. For more information on construction procurement contact DOT&PF directly.

DOT&PF's website is located at: <http://www.dot.state.ak.us/>

PROFESSIONAL SERVICES

Professional services, such as consulting, auditing, medical, and other similar services, are purchased directly by the department or agency that requires the services. When multiple agencies require the same services, the Division of General Services Purchasing Section establishes and administers multi-agency contracts.

The Purchasing Section's website is located at: <http://doa.alaska.gov/dgs/purchasing/>

STATE EQUIPMENT FLEET

DOT&PF is responsible for State Equipment Fleet purchases such as graders, fire trucks and other vehicles and they issue their own Invitations to Bid. Invitations to Bid are sent to all bidders who are properly registered for the commodity or service being purchased. You may contact DOT&PF directly at (907) 465-3900 if you want to know more about their Invitations to Bid or if you wish to submit a bid.

The State Equipment Fleet's website is located at: <http://www.dot.state.ak.us/sef/index.shtml>

MARKETING YOUR PRODUCTS OR SERVICES

Each department has a Procurement Specialist. You should contact the appropriate Procurement Specialists and make them aware of what you have to sell. Generally, they can make purchases within the constraints of their delegated purchasing authority. In most cases, each department's purchasing authority is unlimited for purchases and contracts that are specific to their agency. The Division of General Services establishes multi-agency contracts for use by all Executive Branch agencies.

A list of departmental procurement specialists may be found at the following website:
<http://doa.alaska.gov/dgs/cam/staff.html>

INFORMATION ON FORMAL SOLICITATIONS

Invitations to Bid and Requests for Proposals contain the following information:

- Solicitation number
- Time, date and location of the bid opening or proposal due date
- Date and location at which delivery of supplies or services is required
- Quantity to be furnished
- Description of supplies or scope of services
- Surety requirements, if any
- Samples, testing, and inspection requirements, if any
- Procurement Officer's name and telephone number
- General instructions
- General and special terms and conditions of the transaction
- Method of evaluation and award

PREPARING YOUR BID OR PROPOSAL

This is the key step in the process. For Invitations to Bid, if your product or service meets the state's specifications, delivery needs, and the other terms and conditions of the bid, the price quoted in your bid will determine your chance of winning the award. Remember, your bid constitutes an offer to enter into a contract with the state. You may not change your bid after opening. Under limited circumstances a bid may be withdrawn. If you win, and your bid is accepted, it becomes a binding contract.

Requests for Proposals are evaluated on various factors in addition to cost, such as experience, understanding of the work to be performed, and references. After completion of the evaluation, including any discussions held with offerors during the evaluation process, the state may elect to initiate contract negotiations. The option of whether or not to initiate contract negotiations rests solely with the state.

Before you submit a bid or proposal, make sure that you read the entire solicitation carefully and completely. If there is anything that you do not understand or that seems unreasonable or inappropriate to you, you are encouraged to contact the Procurement Officer, whose name and telephone number appears on the front page.

QUESTIONS AND AMENDMENTS

It is your responsibility to thoroughly understand all of the specifications, terms, conditions and requirements of a solicitation. If you have any questions, contacting the Procurement Officer at least ten days in advance of the bid opening or proposal due date will allow time for the state to issue an amendment if your question prompts one.

If an amendment is issued, it will indicate whether it is mandatory to return a signed copy of the amendment either prior to opening or with your bid or proposal. Failure to submit a mandatory return amendment may result in your bid or proposal being found non-responsive.

When you submit your bid or proposal, be sure all of the information requested is included. If you fail to do this, or fail to submit a completed, legible bid or proposal, it may be rejected. You may withdraw or amend your bid or proposal up until the date and time set for bid opening or proposal deadline.

To be considered, your bid or proposal and any subsequent amendments that require acknowledgment must be received at the location named in the solicitation before the bid opening time or proposal due date and time. If not, your bid or proposal will be rejected.

SIGNATURE

An authorized representative of the company must sign your bid or proposal. In addition, please print the name and address of your company in the appropriate spaces.

BUSINESS LICENSE

In order to be awarded a contract, you must hold a valid Alaska business license. In order to have your bid or proposal considered for the Alaska bidder preference and other related preferences, you must provide evidence of a valid Alaska business license at the time designated in the solicitation for bid opening or proposal submittal. A business license application may be obtained from:

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING
P.O. BOX 110806
JUNEAU, ALASKA 99811-0806

PHONE: (907) 465-2550
FAX: (907) 465-2974

<http://commerce.alaska.gov/dnn/cbpl/home.aspx>

PRICE

Offer the lowest price you can, but be sure you can afford to provide the supplies or services and meet all of the other terms and conditions of the solicitation at that price.

The unit price must be consistent with the unit of measure shown in the Invitation to Bid or Request for Proposal. The price must be in U.S. funds and must include applicable federal duty, brokerage fees, packaging, transportation and unloading costs, and any other costs associated with performing the contract.

All bids and proposals are to be submitted exclusive of federal, state, and local taxes. The state is exempt from Federal Excise Tax under Registration No. 92-73-0006-K.

SPECIFICATIONS

Product brand names or model numbers specified are usually examples of the type and quality of product required and are not intended to be statements of preference. If the specifications describing an item conflict with a brand name or model number describing the item, the specifications govern. Reference to brand name or number does not preclude an offer of a comparable or better product if full specifications and descriptive literature are provided for the product. Failure to provide such specifications and descriptive literature may be cause for rejection of the offer. If the Invitation to Bid or Request for Proposal specifies a brand name followed by "only" or "no substitute" then only that brand and model will be accepted.

NEW MERCHANDISE

All items on which you submit a bid or proposal must be new and of the latest edition, version, model, crop, or manufacture, unless otherwise specified in the Invitation to Bid or Request for Proposals.

DELIVERY TIME

In the space provided in the bid, enter the date you can guarantee delivery at the F.O.B. point. If you cannot meet the delivery requirements, your bid may be rejected. Be sure that you can actually make delivery by the date required and that you have included the cost of delivery in your bid price.

PAYMENT DISCOUNTS

Cash discounts for prompt payment will not be considered in evaluating the price you bid. Prompt payment discounts will, however, be taken if earned. The discount time will not begin until the state receives the commodities or services and/or a correct invoice, whichever is later. If testing is required, the discount time will begin upon the completion of tests.

TRADE & QUANTITY DISCOUNTS

Do not list trade or quantity discounts separately. Deduct them when calculating your price.

SAMPLES

Samples of items, when required, must be furnished free of expense to the state. At the bidder or offeror's expense, samples not consumed in testing may be returned upon request.

IDENTIFICATION ON ENVELOPES

The envelope that contains your bid or proposal should be sealed. You should make certain the outside of your envelope is properly identified with the correct Invitation to Bid or Request for Proposal number and the correct opening date and time or proposal due date. Requests for Proposals may require your cost response to be enclosed in a separate envelope.

Do not mail two different bids or proposals in the same envelope.

If you are only requesting information, do not put the bid or proposal number on the envelope. Envelopes with bid or proposal numbers on the outside are assumed to be bids or proposals and are not opened until the bid opening date and time or proposal due date.

ALTERATIONS

Do not alter, in any way, the terms or conditions of the Invitation to Bid. If your offer requires an explanation, a letter explaining how your offer differs from the bid requirements may be accepted. However, such an explanation may cause your bid to be considered a counter-offer and thus nonresponsive.

If you submit your bid on your company's bid or quotation form you risk having your bid rejected if your form contains any terms or conditions which differ from the state's.

Requests for Proposals will state whether alternate proposals are acceptable.

SOLICITATION OPENING

Bids are opened publicly at the time and place specified. Vendors are welcome to attend bid openings. No bidder will be permitted to change or withdraw a bid after the scheduled bid opening time. It usually takes several hours or more to evaluate the bids. Award decisions are usually not made at the time the bids are opened.

Proposals are opened and evaluated after the date and time set for receipt of proposals. Proposal evaluation committee meetings are not open to the public.

INFORMATION REQUIRED

Factors that may be considered in determining whether a prospective contractor is responsible include whether the prospective contractor has a satisfactory record of performance, is qualified legally to contract with the state, and has supplied all necessary information in connection with the inquiry concerning responsibility. The Procurement Officer may require the prospective contractor to demonstrate the availability of necessary financing, equipment, facilities, expertise, and personnel.

COMMON ERRORS IN SELLING TO THE STATE

- Failure to provide evidence of an Alaska business license.
- Failure to contact the Procurement Officer with questions.
- Failure to submit bid on the state-supplied form(s).
- Failure to have an authorized person sign the bid or proposal.
- Failure to submit the bid or proposal prior to the bid opening time or the time set for receipt of proposals.

- Failure to bid the F.O.B. point required in the bid.
- Altering the terms or conditions of the bid.
- Failure to provide the required descriptive or technical literature.
- Failure to provide the required insurance, surety deposit, or performance bond.

SUBCONTRACTING

Because the responsibility of the individual bidder is an essential element of a contract that results from an Invitation to Bid, you may not subcontract without the advance written consent of the Procurement Officer. If you do subcontract, you remain responsible for the completion of the entire contract. Subcontractors must possess a valid Alaska business license. Invitations to Bid and Requests for Proposals will state whether subcontracting is permitted.

ALASKA BIDDER PREFERENCE

(AS 36.30.321(a) / AS 36.30.990(25))

The award of a contract will be made after an Alaska bidder preference of 5% has been applied to the cost. An "Alaska bidder" is a bidder or offeror who:

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

If you qualify as an Alaska bidder your price will be reduced 5% for the purpose of evaluation. If you win the bid or proposal, you will be paid the full bid price.

ALASKA VETERAN PREFERENCE

(AS 36.30.321(f))

If a bidder or offeror qualifies under AS 36.30.170 for the Alaska bidder preference, and is a qualifying entity, a five percent Alaska veteran preference shall be applied to the bid price. The Alaska veteran preference may not exceed \$5,000.00.

ALASKA OFFERORS PREFERENCE

(2 AAC 12.260(e))

In some circumstances, supplies and services are procured through the use of a Request for Proposals. Those procurements are awarded by point systems that consider factors other than price. Alaska firms that qualify for the Alaska bidder preference will also receive 10% of the total evaluation points as a preference.

ALASKA EMPLOYMENT PROGRAM PREFERENCE

(AS 36.30.321(b))

Bidders and offerors who qualify for the Alaska bidder preference and who offer goods or services through a State certified employment program shall receive a 15% preference. This preference is in addition to the Alaska bidder preference.

DISABILITIES PREFERENCES

(AS 36.30.321(d))

Bidders and offerors who qualify for the Alaska bidder preference and have disabilities or who employ a staff that consists of 50% or more people with disabilities shall receive a 10% preference. This preference is in addition to the Alaska bidder preference. The Division of Vocational Rehabilitation in the Department of Labor & Workforce Development maintains lists of vendors who qualify for these preferences.

For disability preference certification, please contact:

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
DIVISION OF VOCATIONAL REHABILITATION
801 WEST 10TH STREET, SUITE A
JUNEAU, ALASKA 99801-1894

PHONE: (907) 465-2814

FAX: (907) 465-2856

<http://labor.alaska.gov/dvr/>

In order to qualify for the Alaska employment program or disabilities preferences, a bidder or offeror must add value by actually performing, controlling, managing, and supervising the services provided, or they must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

LOCAL AGRICULTURE AND FISHERIES PRODUCT PREFERENCE

(AS 36.15.050)

Agricultural, dairy, timber, lumber, or fisheries products harvested in Alaska, or in the case of fisheries products, harvested or processed within the jurisdiction of Alaska, will receive a 7% preference.

ALASKA PRODUCT PREFERENCE

(AS 36.30.332 & 3 AAC)

If a vendor designates the use of an Alaska product that meets the requirements of the solicitation's specifications and which is designated more than 25% produced or manufactured within the state by the Department of Community and Economic Development, the vendor shall receive a 3%, 5%, or 7% cost preference in accordance with AS 36.30.332 and 3 AAC.

In order to receive the Alaska product preferences, a vendor must apply to the Department of Community and Economic Development for classification of the vendor's product and inclusion on the Alaska Product Preference list published by the Department of Community and Economic Development. Applications may be obtained from:

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

DIVISION OF TRADE & DEVELOPMENT

550 WEST 7TH STREET, SUITE 1770

ANCHORAGE, AK 99503

PHONE: (907) 269-8110

FAX: (907) 269-8125

<http://commerce.alaska.gov/ded/dev/prodpref/prodpref.htm>

RECYCLED PRODUCTS PREFERENCE

(AS 36.30.337)

Bids and proposals for recycled products which meet the requirements of the solicitation's specifications and meet minimum recycled content set by the state shall receive a 5% cost evaluation preference over non-recycled products. Recycled products must meet the eligibility criteria set by the state for the product at the time of the bid opening or proposal deadline.

AWARD

Bids are awarded to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the Invitation to Bid. The bid will be awarded to the lowest priced bidder who meets the bid specifications and otherwise demonstrates the ability to successfully meet the requirements of the Invitation to Bid.

Proposals are awarded to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the state taking into consideration price and the evaluation factors set out in the Request for Proposals.

NOTICE OF INTENT TO AWARD A CONTRACT

After the responses to an Invitation to Bid or Request for Proposals have been opened and evaluated, a tabulation of the responses will be prepared. This tabulation, called a Notice of Intent to Award a Contract, serves two purposes. It lists the names of all bidders or offerors, their prices or scores, and other relevant information. It also serves as a notice of the state's intent to award a contract to the bidder or offeror indicated. A copy of the Notice of Intent to Award a Contract will be provided to each bidder or offeror who responded to the solicitation.

Any bidder or offeror for whom an intended award is indicated on the Notice of Intent to Award a Contract form is cautioned not to proceed without receiving an award document from the state. A company or person who proceeds prior to receiving a lease, purchasing order, contract award, delivery order, or signed contract does so at their own risk and expense.

PROTESTING THE AWARD

(AS 36.30.550-36.30.610)

If bidders or offerors feel an award has been made in error, their bid or proposal has been improperly evaluated, or there has been some impropriety in the process, they may protest. An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, or professional services. For small purchases, an interested

party must first contact the Procurement Officer and attempt to informally resolve the dispute before filing a protest.

Protests must be filed in writing and include the following information:

1. the name, address, and telephone number of the protester;
2. the signature of the protester or the protester's representative;
3. identification of the contracting agency and the solicitation or contract at issue;
4. a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and
5. the form of relief requested. Protests will be treated in accordance with procedures described in AS 36.30.550-36.30.610.

DELIVERY

All items for delivery must be clearly marked and must be delivered at the time stated in the solicitation. Unless otherwise stated in the Invitation to Bid or Request for Proposals, all deliveries must be FOB final destination with all freight and delivery charges prepaid to that point. No substitutions will be allowed without prior written approval by the Procurement Officer.

The receiving agency will inspect the supplies at the time of delivery. Any supplies that are damaged, fail to meet specifications, or that contain hidden defects will be rejected. Upon notification by the Procurement Officer, the contractor must replace the defective supplies within a mutually agreed time.

SUBMITTING INVOICES

Your invoice should be exact in the description of the supplies and prices. It should include the purchase order number, contract award number, or delivery order number.

The invoice should be submitted directly to the agency that received the goods or services, at the address on the purchasing order, contract award, or delivery order.

All payments are made by the agency that receives the goods or services. If any payment problems are encountered, contact the Procurement Officer.

PAYMENT FOR STATE PURCHASES

Payment for agreements under \$500,000, for the undisputed purchase of supplies or services provided to a state agency, will be made within 30 days of the receipt of a proper billing or the delivery of the supplies or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.

A FINAL WORD

The mission of the Division of General Services is to ensure that each state agency is supplied with the training, consulting, supplies, and services it needs quickly, efficiently, and economically. We cannot do this without the active participation and cooperation of the business community.

We want to work with you because we recognize that neither of us can be successful without the other. If you encounter problems with an Invitation to Bid or Request for Proposals, contact us. We will do everything in our power to resolve the problem in the fairest possible manner.

Comments and suggestions to improve state procurement are appreciated. You may submit any comments or suggestions you may have to:

CHIEF PROCUREMENT OFFICER
DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES
P.O. BOX 110210
JUNEAU, ALASKA 99811-0210

PHONE: (907) 465-2250
TDD: (907) 465-2205
FAX: (907) 465-2189

We welcome you as a vendor and are sure that you will find the State of Alaska to be a good customer.