



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Labor & Commerce
Current Version: CSSB 160 (FIN)
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Fact Sheet for: Senate Bill 160

Short Title: STATE PROCUREMENT ELECTRONIC TOOLS

Summary:

- Continues a program similar to the 2003 pilot that allows the State to contract with a private party to provide procurement services and electronic commerce tools.
- Limits the scope of the procurement program to \$50,000 and to purchases of goods, services suitable for performing repetitive processes or a combination of the two.
- Exempts the contractor from elements of the state procurement code for three years, and establishes separate, but in some cases identical, procurement requirements for the procurement services part of the program.
- Directs that the contract be awarded under provisions of the procurement code that use competitive sealed bidding.
- Requires the office of management and budget to establish methods for measuring the savings achieved under the program.

Benefits:

- Gives the state the flexibility to make e-commerce tools available to all State agencies.
- Allows for greater inter-departmental coordination in purchasing, storage and logistics.
- Projected to result in savings of \$180,000 for administrative salaries and benefits for the two year contract period.
- Benefits Alaska vendors as Alaska vendor use has substantially increased.
- Projected to increase savings on goods and services over time as the program matures and expands, and volume purchasing opportunities can be obtained.
- Retains senior state procurement officers and limits impact on high dollar procurements.

Background:

- In 2003, the Legislature passed House Bill 313, which authorized a pilot procurement and Internet eCommerce program for the Department of Transportation and Public Facilities Southeast Region for three years. After a year long, competitive selection process, a contractor began performing procurement in July, 2004 and warehouse operations in October, 2004. A full suite of Internet eCommerce tools have been installed. Since the first Internet eCommerce purchase order was issued in October 2004, more than 10,000 Internet POs have been issued and 11,000 requisitions created. The first major catalog effort in the state's history has resulted in an electronic catalog of almost 5,000 items that will help the state develop better agreements with vendors. State "benchmark audit" reports have been performed quarterly since program inception. They show solid program performance and overall success.