# SECTION 7 – PREFERENCES

## 7.1 QUALIFIED ALASKAN BIDDER/OFFEROR

To qualify as an Alaskan bidder/offeror, a person or entity shall:

(a) Hold a current Alaska business license, or provide proof of having applied for such license prior to the deadline for submitting bids or proposals.

(b) Submit the bid or offer under the name appearing on the business license.

(c) Have maintained a place of business within the State by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid.

(d) Be incorporated to do business in the State; be a sole proprietorship and the proprietor is a resident of the State; be a limited liability company (LLC) in compliance with AS 10.50 and all members are residents of the State; or be a partnership, including Limited Liability Partnerships (LLP), under AS 32.05 or AS 32.11 and all partners are residents of the State.

**AUTHORITY: AS 36.30.170 R05.06.890**

## 7.2 APPLICATION OF PREFERENCES

(a) The procurement officer shall award a contract to the lowest responsive, responsible bidder/offeror after application of the Alaska preference of five percent (5%) is applied.

(b) A procurement officer may not purchase timber, lumber, or manufactured lumber products unless the requirements of AS 36.30.322 are met.

(c) For a bid/offer to which more than one statutory preference applies, i.e., the Alaska preference, the employment program preference, the Alaska products preference, or recycled product preference, etc., the procurement officer shall add the preference percentages together and reduce the bid/offer price by the sum of the percentages for evaluation purposes.

**AUTHORITY: AS 36.30.170, .332, .338 R05.06.890**

## 7.3 BIDDER/OFFEROR & PRODUCT PREFERENCES

(a) AS 36.30 requires that the following preferences be applied to the award of formal solicitations:

1. Alaska bidder/offeror - 5%
2. Alaska forest products - 7%
3. Alaska products - value added preferences applied by statute as:

a) Class I - more than 25%, but less than 50% value added: 3%

b) Class II - more than 50%, but less than 75% value added: 5%

c) Class III - 75% or more value added: 7%

1. Recycled products - 5%
2. Employment program - 15% as defined in AS 36.30.170, c. thru k.
3. Disability - 10% as defined in AS 36.30.170, e. thru k.

(b) The procurement officer shall carefully review the requirements of the statutes to insure that the bid/offer qualifies for the preference. An unsupported assertion of compliance is insufficient.

(c) The preferences shall be applied to informal solicitations issued by the campus procurement department, including RFQs, when making small procurements as defined by AS 36.30.320.

(d) University departments are encouraged to seek pricing from Alaskan vendors when executing discretionary (small dollar purchases) and shall apply the preferences as defined herein when making price comparisons.

**AUTHORITY: AS 36.30.170, .322 - .338 R05.06.890**

## 7.4 RECYCLED PAPER PRODUCTS

In addition to the monetary preference for recycled products contained above, whenever the University purchases paper products, including cut stock, printing stock, envelopes, towels, tissues, computer stock, or other paper products, at least 25% of the quantity purchased shall be classified as recycled unless the responsible procurement officer determines that recycled paper is not available, or that recycled paper, after application of the 5% preference, is more expensive than non-recycled paper for the purchase in question.

**AUTHORITY: AS 36.30.333, .337 R05.06.890**

## 7.5 PREFERENCES IN SPECIFICATIONS

(a) Specifications shall not unnecessarily discriminate against the use of recycled materials.

(b) Product minimum content guidelines and definitions are adopted by the Environmental Protection Agency (EPA) and can be found in 40 CFR 248 - 253.

(c) University departments should consider the following steps when preparing purchase requisitions that include recycled products:

1. Include sources that specifically provide recycled products.
2. Allow for alternative use of recycled products in specifications.
3. Specify use of recycled products and allow recycling in performance of service contracts and lease agreements.
4. Specify double-sided printing whenever possible as required by AS 44.99.020. Specify self-mailers (fold, staple, and address) to limit envelope use. Limit number of copies.
5. Allow both recycled and virgin materials in solicitation provisions.
6. Allow users to specify certain items as 100% recycled products.

**AUTHORITY: AS 36.30.170, .322 - 338 R05.06.890**

## 7.6 EMPLOYMENT PROGRAMS

(a) A procurement officer may obtain supplies or services provided through employment programs certified by the Alaska Division of Vocational Rehabilitation.

(b) If the procurement officer determines supplies or services meet the University's requirements, and if the price is no more than 15% higher than otherwise available on the open market for the supplies or services required, an award can be made without soliciting the private sector.

(c) If the private sector is included in the solicitation, a 15% price preference shall be applied to all firms who qualify under the employment program in accordance with AS 36.30.170(c).

**AUTHORITY: AS 36.30.170, .311 R05.06.890**