



# A GUIDE TO PREFERENCES FOR STATE OF ALASKA CONTRACTS

Several preferences apply to all State of Alaska procurements, regardless of their dollar value, except when restricted by federal regulations. **The Alaska Bidder, Veteran, and Offeror preferences** are the three most common preferences involved in the State of Alaska procurement process.

## ALASKA BIDDER PREFERENCE (AS 36.30.170 (b))

A contract award is made to the lowest responsive and responsible bidder after applying the 5% bidder preference. An "Alaska bidder" means a bidder/offeror that:

- holds a current Alaska business license;
- submits a bid for supplies, services, or construction under the name appearing on the person's current Alaska business license;
- 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;
- 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
- if a joint venture, is composed entirely of ventures that qualify under (1) -- (4) of this subsection.

## ALASKA VETERAN PREFERENCE (AS 36.30.175)

A contract award is made to the lowest responsive and responsible bidder after applying the 5% veteran preference. An "Alaska veteran" means a bidder/offeror that qualifies under AS 36.30.170 (b) as an Alaska bidder and is a:

- sole proprietorship owned by an Alaska veteran;
- partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.

The Alaska veteran's preference may not exceed \$5,000.

## ALASKA OFFEROR'S PREFERENCE (2 AAC 12.260 (e))

In some circumstances, supplies and services are obtained through the use of a Request for Proposals (RFP). Responses to RFPs are usually evaluated using numerical rating systems that consider cost and other factors. When an RFP is used, vendors that qualify for the Alaska bidder preference will also receive an additional 10% of the available evaluation points.

**NOTE:** The application of preferences is for evaluation purposes only. The vendor is still paid the full price identified in their bid/offer for the goods or services rendered.

Additional preferences are listed on the back of this page, with excerpts from the relevant statutes and codes.

For additional information, contact the department that manages the particular preference program, or the Department of Administration, Division of General Services, PO Box 110210, Juneau, AK 99811-0210 Phone: (907) 465-2250, Fax: 465-2189 TDD: (907) 465-2205. Or download the following state pamphlets: [How to do Business with the State of Alaska](#); [Application of Preferences \(for proposals\)](#); or [Application of Preferences \(for bids\)](#) 11/08/2010

PREFERENCE	HOW PREFERENCE IS APPLIED	TERMS
<b>USE OF LOCAL FOREST PRODUCTS</b> AS 36.15.010	In a project financed by State money...	...only timber, lumber, and manufactured lumber products originating in Alaska shall be used, unless impractical.
<b>LOCAL AGRICULTURAL AND FISHERIES PRODUCTS PREFERENCE</b> AS 36.15.050	When agricultural products are purchased using State money...	...only those products harvested or processed within the jurisdiction of Alaska, will be purchased, provided they are available, of comparable quality, and priced no more than seven percent (7%) higher than products harvested outside the state, or in the case of fisheries products harvested or processed of the state, in accordance with AS 36.15.050. <b>NOTE:</b> "Agricultural products" includes dairy products, timber and lumber, and products manufactured in the state from timber and lumber.
<b>ALASKA PRODUCT PREFERENCE</b> AS 36.30.332 3 AAC 92.010	A bidder with materials and supplies: <b>Class I</b> , 25% – 50% produced/manufactured in state, receives 3% preference; <b>Class II</b> , 50% - 75% produced/manufactured in state, receives 5% preference; <b>Class III</b> , 75% plus, produced/manufactured in state, receives 7% preference.	The company and the product must be on the Alaska Product Preference list published by the Department of Commerce, Community and Economic Development at least 30 days prior the issuing date of the solicitation. <a href="http://www.commerce.state.ak.us/oed/prodpref/pppproduct.cfm">http://www.commerce.state.ak.us/oed/prodpref/pppproduct.cfm</a> To apply for certification to get on the list, contact: Department of Commerce, Community and Economic Development 550 West 7th Street, Suite 1770, Anchorage, AK 99503 Phone: (907) 269-8110, Fax: (907) 269-8125
<b>RECYCLED PRODUCTS PREFERENCE</b> AS 36.30.337	Bids or offers that include the use of recycled products that meet the specifications in a solicitation and the minimum recycled content requirement set by the State, receive a 5% preference.	Recycled products must meet the eligibility criteria set by the state for the product at the time of the bid opening or proposal deadline.
<b>EMPLOYMENT PROGRAM PREFERENCE</b> AS 36.30.170 (c) 2 AAC 12.050. AS 36.30.990 (10)	Alaska bidder offers goods/services through employment program, and is lowest responsive and responsible bidder with a bid no higher than 15% above lowest bid.	The Department of Labor & Workforce Development, Division of Vocational Rehabilitation maintains a list of vendors who qualify for the three disabilities related 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 <a href="http://www.labor.state.ak.us/dvr/home.htm">http://www.labor.state.ak.us/dvr/home.htm</a>
<b>ALASKANS WITH DISABILITIES PREFERENCE</b> AS 36.30.170 (e) & (j)	Alaska bidder is a qualifying entity under AS 36.30.170 (e) and (j); is lowest responsive and responsible bidder with a bid no higher than 10% of the lowest bid.	In order to qualify for one of the three disability related preferences, a bidder/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. <b>NOTE: A bidder/offer cannot claim more than one of the three disability related preferences for the same bid/offer.</b>
<b>EMPLOYERS OF PEOPLE WITH DISABILITIES PREFERENCE</b> AS 36.30.170 (f) & (j)	Alaska bidder, responsible and responsive bid/offer, is employing, 50% plus disabled persons at time of a bid/offer submission, and a bid/offer that is not higher than 10% of the lowest bidder/offeror received.	
<b>PREFERENCE QUALIFICATION LETTER:</b> The Department of Labor, Division of Vocational Rehabilitation will issue a certification letter. A bidder/offeror must be on the division's list at the time the bid is opened, and must provide a copy of the certification letter to the procurement officer, <b>and</b> attach a copy of it to their bid. If the certification letter is NOT attached to their bid, the state may disallow the preference.		
The division also maintains lists of Alaskan; [1] employment programs that qualify for preference, [2] individuals who qualify for preference as Alaskan's with disabilities, and, [3] employers who qualify for the preference as employers of people with disabilities.		