

DIVISION OF VOCATIONAL REHABILITATION

GUIDELINES FOR OPERATION OF A PROCUREMENT PREFERENCE

Revised: August 2007

The Alaska Division of Vocational Rehabilitation certifies qualified individuals, organizations and/or businesses to receive procurement preference when responding to a State of Alaska request for bids. This packet provides information about the procurement preference program as well as the information needed to apply for certification to the list.

If you have questions after reviewing this packet, please contact our procurement program coordinator at 907-465-6936 or 1-800-478-2815.

Certification:

The Division of Vocational Rehabilitation, Department of Labor and Workforce Development, maintains lists of Alaskan: (1) qualifying entities, (2) employers of persons with disabilities, and (3) employment programs which qualify for a State of Alaska procurement preference. As evidence of an individual's, employer's or businesses right to a certain procurement preference, the Division of Vocational Rehabilitation issues a certification letter. To take advantage of these procurement preferences, a qualifying entity, employer or business **must be on the appropriate Division of Vocational Rehabilitation list at the time the bid is opened** and must provide the contracting officer a copy of their certification letter by attaching a copy of the letter to their bid.

Procurement Preferences:

There are three categories of procurement preference for which the Division of Vocational Rehabilitation provides certification. These are:

1. Qualifying Entity:

- a. Sole proprietorship owned by a person with a disability;
- b. Partnership under AS 32.05 or AS 32.11 if each of the partners is a person with a disability;
- c. Limited liability company organized under AS 10.50 if each of the members is a person with a disability; or
- c. Corporation that is wholly owned by individuals and each of the individuals is a person with a disability.

2. A business employing 50 percent or more employees, at the time the bid is submitted, who are persons with a disability.

3. Employment Program.

Authority:

Alaska Statute, AS 36.30.170, sets forth the circumstances under which bidders may qualify for certain State of Alaska procurement preferences. An individual, company or program must meet the qualifications for an Alaska bidder as defined in AS 36.30.170(b) in order to receive procurement preference under sections (c), (e) or (f) of AS 36.30.170. Documentation of an "Alaska Bidder" is certified by the contracting officer handling each bid or contract.

Review the attached copy of AS 36.30.170 for any additional requirements which must be met to receive a procurement preference.

Notice Regarding Personal Information in Public Records:

Information submitted to the Alaska Division of Vocational Rehabilitation to support an application for procurement preference may be included in a public record open to inspection. The information requested below is required in order to process a request for procurement preference. Failure to provide the requested information will result in denial of a procurement preference. The information provided will only be used to make the determination that the entity, business or employment program qualifies for a procurement preference under AS 36.30.170 (c), (e) or (f). The information provided may be subject to inspection and copying under AS 40.25.110, a copy of which is attached.

As indicated in AS 40.25.120 (a) (3), medical and related public health records are exempt from public inspection. Additionally, under AS 40.25.120 (a) (4), records required to be kept confidential by a federal law or regulation or by state law are also exempt from public inspection. Information provided from a Division of Vocational Rehabilitation record of services in support of a request for procurement preference is required to be kept confidential by federal law.

Application Process:

1. Complete and submit the application form included with this packet to:

Procurement Preference Certification
Division of Vocational Rehabilitation
801 West Tenth Street, Suite A
Juneau, Alaska 99801-1894

2. Submit a copy of your current Alaska Business License or application for an Alaska Business License.
3. Submit the following additional information depending on the classification for which you are requesting certification.

QUALIFYING ENTITIES

- ✓ A written statement that your business is a sole proprietorship owned by a person with a disability **or** a partnership under AS 32.06 or AS 32.11 owned by two individuals each of whom is a person with a disability **or** a limited liability company organized under AS 10.50 and each of the members is a person with a disability **or** a corporation wholly owned by individuals and each is a person with a disability. Please see the definition of a person with a disability at AS 36.30.170(k).
- ✓ Proof of incorporation if a corporation, to include a list of shareholders.
- ✓ Articles of organization if a limited liability company, to include a list of members.
- ✓ Articles of Partnership if a partnership, to include the names of both partners.

AND

- ✓ A copy of the eligibility statement completed by a State of Alaska Vocational Rehabilitation Counselor (for each partner, member of a limited liability company or individual of a corporation).

OR

AT LEAST ONE OF THE FOLLOWING ITEMS:

- ✓ A narrative report from a licensed physician which describes the disability and the functional limitations of the disability (for each partner, member of a limited liability company or individual of a corporation).
- ✓ Similar documentation which provides information about the disabling condition and the functional limitations (for each partner, member of a limited liability company or individual of a corporation).

AND

- ✓ A narrative of the individual's work history **or** a resume showing a complete work history (for each partner, member of a limited liability company or individual of a corporation).

BUSINESSES EMPLOYING 50% OR MORE INDIVIDUALS WITH DISABILITIES

For EACH employee with a disability (Please see the definition of a person with a disability at AS 36.30.170(k)):

- ✓ A copy of the eligibility statement completed by a State of Alaska Vocational Rehabilitation Counselor.

OR

AT LEAST ONE OF THE FOLLOWING ITEMS:

- ✓ A narrative report from a licensed physician which describes the disability and the functional limitations of the disability.
- ✓ Similar documentation which provides information about the disabling condition and the functional limitations.

AND

- ✓ A copy of the Department of Labor's Quarterly Contribution Report, #07-1004 for the most recent quarter. (This report must be submitted to the Division of Vocational Rehabilitation on a quarterly basis for the duration of the certification period.)
- ✓ A list of the hourly or salary wages paid to every employee of the business.

EMPLOYMENT PROGRAMS FOR PERSONS WITH DISABILITIES

Please see the definition of an employment program at AS 36.30.990(11).

- ✓ A written statement describing the programs and services provided.

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Upon receipt of this information, the Division of Vocational Rehabilitation will evaluate the request and supporting documentation to determine if the applicant meets the requirements for procurement preference. A letter certifying eligibility for a Procurement Preference will be sent to eligible applicants and their name will be added to the list of qualified bidders maintained by the Division and made available via the Internet (www.labor.state.ak.us/dvr/preflist.htm) or on request. ALL certifications expire annually on December 31st and each individual or organization must reapply for certification for the new year or their name will be removed from the list of certified bidders.

It is the responsibility of the individual or organization to ensure the requirements of certification are met throughout the life of the contract and are available for review, upon request.

When submitting your bid, you must enclose a copy of your Certification Letter from the Division.

**APPLICATION FORM
DIVISION OF VOCATIONAL REHABILITATION
PROCUREMENT PREFERENCE UNDER AS 36.30.170 (c), (e), OR (f)**

Name, address and phone number of Business, Proprietor or Facility:

Name: _____

Address: _____

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Phone Number: _____

Contact Person: _____

Procurement preference requested (check one):

1. Qualifying Entity:

- a. Sole Proprietorship _____
- b. Partnership _____
- c. Limited Liability Company _____
- d. Corporation _____

2. Business Employing Persons with Disabilities _____

3. Employment Program for Persons with Disabilities _____

Authorized Signature

Date

The Division of Vocational Rehabilitation ONLY certifies sections (c), (e) and (f), as outlined in the Procurement Preference Guidelines. See attached copy of AS 36.30.170 for more information. See attached copy of AS 40.25.110 - 40.25.120 for information concerning public records.

Documentation of an "Alaska Bidder" is certified by the contracting officer handling each bid or contract. An individual, business or program must be an "Alaska Bidder" in order to receive procurement preference as certified by the Division of Vocational Rehabilitation.

Mail application packet to: Procurement Preference Certification
Division of Vocational Rehabilitation
801 West Tenth Street, Suite A
Juneau, AK 99801-1894

Don't forget to attach a copy of your current Alaska Business License!!!

Chapter 32.06. UNIFORM PARTNERSHIP ACT (selected excerpts)

Sec. 32.06.201. Partnership as entity.

- (a) A partnership is an entity distinct from its partners.
- (b) A limited liability partnership continues to be the same entity that existed before the filing of a statement of qualification under AS 32.06.911.

Sec. 32.06.202. Formation of partnership.

In determining whether a partnership exists, these rules shall apply:

- (a) Except as provided in (b) of this section, the association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.
- (b) An association formed under a statute other than this chapter, a predecessor statute, or a comparable statute of another jurisdiction is not a partnership under this chapter.
- (c) In determining whether a partnership is formed, the following rules apply:
 - (1) joint tenancy, tenancy in common, tenancy by the entirety, joint property, common property, or part ownership does not of itself establish a partnership, even if the co-owners share profits made by the use of the property;
 - (2) the sharing of gross returns does not of itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived;
 - (3) a person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits are received in payment
 - (A) of a debt by installments or otherwise;
 - (B) for services as an independent contractor, or of wages or other compensation to an employee;
 - (C) of rent;
 - (D) of an annuity or other retirement or health benefit provided to a beneficiary, representative or designee of a deceased or retired partner;
 - (E) of interest or other charge on a loan, even if the amount of payment varies with the profits of the business, including a direct or indirect present or future ownership of the collateral, or rights to income, proceeds, or increase in value derived from the collateral; or
 - (F) for the sale of the good will of a business or other property by installments or otherwise.

Sec. 36.30.170. Contract award after bids.

- (a) Except as provided in (b) - (h) of this section, the procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice 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.
- (b) The procurement officer shall award a contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent, an Alaska products preference as described in AS 36.30.322 - 36.30.338, and a recycled products preference under AS 36.30.337 have been applied. In this subsection, "Alaska bidder" means a person who
 - (1) holds a current Alaska business license;
 - (2) submits a bid for goods, services, or construction under the name as 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 date of the bid;

(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 former AS 10.50 and all members are residents of the state, or is a partnership under former AS 32.05, 32.06, or AS 32.11 and all partners are residents of the state; and

(5) if a joint venture, is composed entirely of ventures that qualify under (1) - (4) of this subsection.

(c) Except as otherwise provided under (e) or (f) of this section, if a bidder qualifies under (b) of this section as an Alaska bidder, is offering services through an employment program, and is the lowest responsible and responsive bidder with a bid that is not more than 15 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. This subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection.

(d) The procurement officer shall award an insurance-related contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent. In this subsection, "Alaska bidder" means a person who meets the criteria set out in (b) (1) - (5) of this section and who is an Alaska domestic insurer.

(e) If a bidder qualifies under (b) of this section as an Alaska bidder, is a qualifying entity, and is the lowest responsible and responsive bidder with a bid that is not more than 10 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. This subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection or (f) of this section. In this subsection, "qualifying entity" means a

(1) sole proprietorship owned by a person with a disability;

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

(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.

(f) If a bidder qualifies under (b) of this section as an Alaska bidder, if 50 percent or more of the bidder's employees at the time the bid is submitted are persons with a disability, and if the bidder is the lowest responsible and responsive bidder with a bid that is not more than 10 percent higher than the lowest bid, the procurement officer shall award the contract to that bidder. The contract must contain a promise by the bidder that the percentage of the bidder's employees who are persons with a disability will remain at 50 percent or more during the contract term. This subsection does not give a bidder who would otherwise qualify for a preference under this subsection a preference over another bidder who would otherwise qualify for a preference under this subsection or (e) of this section.

(g) The division of vocational rehabilitation in the Department of Labor and Workforce Development shall add to its current list of qualified employment programs a list of individuals who qualify as persons with a disability under (e) of this section and of persons who qualify under (f) of this section as employers with 50 percent or more of their employees being persons with disabilities. A person must be on this list at the time the bid is opened in order to qualify for a preference under (e) or (f) of this section.

(h) A preference under (c), (e), or (f) of this section is in addition to any other preference for which the bidder qualifies, including the preference under (b) of this section; however, a bidder may not receive a preference under both (c) and (e), (c) and (f), or (e) and (f) of this section for the same contract.

(i) This section applies to all insurance contracts involving state money. In this subsection, "state money" includes state grants and reimbursement to municipalities, school districts, and other entities.

(j) In order to qualify for a preference under (c), (e), or (f) of this section, a bidder must add value by actually performing, controlling, managing, and supervising the services provided, or a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

(k) In this section, "person with a disability" means an individual

(1) who has a severe physical or mental disability that seriously limits one or more functional capacities in terms of employability; in this paragraph, "functional capacities" means mobility, communication, self-care, self-direction, interpersonal skills, work tolerance, or work skills;

(2) whose physical or mental disability

(A) results from amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculo-skeletal disorders, neurological disorders, paraplegia, quadriplegia, other spinal cord conditions, sickle cell anemia, specific learning disability, or end stage renal disease; in this subparagraph, "neurological disorders" include stroke and epilepsy; or

(B) is a disability or combination of disabilities that are not identified in (A) of this paragraph and that are determined on the basis of an evaluation of rehabilitation potential to cause substantial functional limitation comparable to a disability identified in (A) of this paragraph; and

(3) whose vocational rehabilitation can be expected to require multiple vocational rehabilitation services over an extended period of time.

AS 36.30.990 Definitions

(11) "employment program" means a nonprofit program to increase employment opportunities for individuals with physical or mental disabilities that constitute substantial handicaps to employment;

Sec. 40.25.110. Public records open to inspection and copying; fees.

(a) Unless specifically provided otherwise, the public records of all public agencies are open to inspection by the public under reasonable rules during regular office hours. The public officer having the custody of public records shall give on request and payment of the fee established under this section or AS 40.25.115 a certified copy of the public record.

(b) Except as otherwise provided in this section, the fee for copying public records may not exceed the standard unit cost of duplication established by the public agency.

(c) If the production of records for one requester in a calendar month exceeds five person-hours, the public agency shall require the requester to pay the personnel costs required during the month to complete the search and copying tasks. The personnel costs may not exceed the actual salary and benefit costs for the personnel time required to perform the search and copying tasks. The requester shall pay the fee before the records are disclosed, and the public agency may require

payment in advance of the search.

(d) A public agency may reduce or waive a fee when the public agency determines that the reduction or waiver is in the public interest. Fee reductions and waivers shall be uniformly applied among persons who are similarly situated. A public agency may waive a fee of \$5 or less if the fee is less than the cost to the public agency to arrange for payment.

(e) Notwithstanding other provisions of this section to the contrary, the Bureau of Vital Statistics and the library archives in the Department of Education and Early Development may continue to charge the same fees that they were charging on September 25, 1990, for performing record searches, and may increase the fees as necessary to recover agency expenses on the same basis that was used by the agency immediately before September 25, 1990. Notwithstanding other provisions of this section to the contrary, the Department of Commerce, Community and Economic Development may continue to charge the same fees that the former Department of Commerce and Economic Development was charging on July 1, 1999, for performing record searches for matters related to banking, securities, and corporations, and may increase the fees as necessary to recover agency expenses on the same basis that was used by the former Department of Commerce and Economic Development immediately before July 1, 1999.

(f) Notwithstanding other provisions of this section to the contrary, the Board of Regents of the University of Alaska may establish reasonable fees for the inspection and copying of public records, including record searches.

(g) Notwithstanding other provisions of this section to the contrary, the board of directors of the Alaska Railroad Corporation may establish reasonable fees for the inspection and copying of public records, including record searches.

(h) Notwithstanding other provisions of this section to the contrary, the judicial branch may establish by court rule reasonable fees for the inspection and copying of public records, including record searches.

(i) Electronic information that is provided in printed form shall be made available without codes or symbols, unless accompanied by an explanation of the codes or symbols.

Sec. 40.25.120. Public records; exceptions; certified copies.

(a) Every person has a right to inspect a public record in the state, including public records in recorders' offices, except

(1) records of vital statistics and adoption proceedings, which shall be treated in the manner required by AS 18.50;

(2) records pertaining to juveniles unless disclosure is authorized by law;

(3) medical and related public health records;

(4) records required to be kept confidential by a federal law or regulation or by state law;

APPLICATION OF PREFERENCES

INVITATIONS TO BID AND REQUESTS FOR QUOTATION

Certain preferences apply to all supplies and services procured through the Invitation to Bid and Request for Quotation processes. This section contains a list of those preferences and examples of how to calculate the preferences. Before any preferences are applied, the Procurement Officer must determine that the bid or quote is responsive.

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 bid price. In Group Two, the amount of the preference is based on the lowest (adjusted from Group One) bid price received.

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

Group Two - Employment Program Preference, Alaskans with Disabilities Preference, Employers of People with Disabilities Preference and the Local Agricultural and Fisheries Products 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 qualifies for the 5% Alaska Bidder Preference and a 3% Products 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's raw price.

During the second pass, add together all applicable preferences in Group Two (which are based on the lowest bid received) and deduct them from the qualifying bid's adjusted price – after it has been reduced by any preferences in Group One.

Examples of two-pass preference calculations are as follows:

Group One:

[1] 5% ALASKA BIDDER PREFERENCE
AS 36.30.170(b)

GENERAL EXPLANATION: For the purpose of evaluating bids, the bid price of a bidder who qualifies as an Alaska bidder under AS 36.30.170(b), shall be reduced by five percent.

EXAMPLE

5% Alaska Bidder Preference

STEP 1

List the raw bid prices.

Bidder #1 - \$6,100
Bidder #2 - \$6,500
Bidder #3 - \$6,700
Bidder #4 - \$6,900
Bidder #5 - \$6,950

STEP 2

Determine which bidders qualify for the 5% Alaska Bidder Preference.

Bidder #1	No preference applies	0%
Bidder #2	No preference applies	0%
Bidder #3	Alaska Bidder Preference	5%
Bidder #4	Alaska Bidder Preference	5%
Bidder #5	Alaska Bidder Preference	5%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference by the corresponding raw bid price.

Bidder #3 - $\$6,700 \times 5\% (.05) = \335
Bidder #4 - $\$6,900 \times 5\% (.05) = \345
Bidder #5 - $\$6,950 \times 5\% (.05) = \347.50

STEP 4

List all bid prices, adjusted where appropriate by the application of the Alaska Bidder Preference.

Bidder #1 - \$6,100	No preferences apply
Bidder #2 - \$6,500	No preferences apply
Bidder #3 - \$6,365	(\$6,700 - \$335)
Bidder #4 - \$6,555	(\$6,900 - \$345)
Bidder #5 - \$6,602.50	(\$6,950 - \$347.50)

STEP 5

Identify the lowest priced bid. In the example, Bidder #1 (\$6,100) is lowest and would get the award, provided it is a responsible and responsive bid.

[2] 3% - 5% - 7% ALASKA PRODUCTS PREFERENCE
AS 36.30.328 - AS 36.30.332 and 3 AAC 92.090

GENERAL EXPLANATION:

(Reference AS 36.30.328 Grant of Alaska Products Preference)

In the evaluation of a bid or proposal for a procurement for an agency, a bid or offer that designates the use of Alaska products identified in the contract specifications and designated as Class I, Class II, or Class III state products under AS 36.30.332 is decreased by the percentage of the value of the designated Alaska products under AS 36.30.332.

(Reference AS 36.30.332 Classification of Alaska Products)

- (a) The commissioner of community and economic development has adopted regulations establishing the value added in the state for materials and supplies produced or manufactured in the state that are used in a state procurement and establishing whether a product qualifies as a recycled Alaska product. The commissioner shall publish a list of the products annually. A supplier may request inclusion of its product on the appropriate list.
- (b) Materials and supplies with value added in the state that are
 - (1) more than 25 percent and less than 50 percent produced or manufactured in the state are Class I products;
 - (2) 50 percent or more and less than 75 percent produced or manufactured in the state are Class II products; and
 - (3) 75 percent or more produced or manufactured in the state are Class III products.
- (c) In a bid or proposal evaluation a
 - (1) Class I product is given a three percent preference;
 - (2) Class II product is given a five percent preference; and
 - (3) Class III product is given a seven percent preference.

NOTE: With regard to the application of this preference, the applicable preference percentage is only applied to the qualifying product itself. Cost such as transportation, postage, delivery, etc... are not to be included in the value of the product qualifying for the preference.

3 AAC 92.090(b) – The Alaska products preference percentage set out in AS 36.30.332 will be **applied to the declared value of the Alaska product or products** designated for use by the contractor in his or her bid or proposal **and not to the contractor’s total bid or proposal.**

A listing of qualified products may be obtained at the following website:
<http://www.commerce.state.ak.us/oed/prodpref/prodpref.htm>.

EXAMPLE

3% - 5% - 7% Alaska Products Preference

STEP 1

List the raw bid prices.

- Bidder #1 - \$6,100
- Bidder #2 - \$6,500
- Bidder #3 - \$6,700
- Bidder #4 - \$6,900
- Bidder #5 - \$6,950

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1	No preferences apply	0%
Bidder #2	Class I Products Preference	3%
Bidder #3	Alaska Bidder Preference	5%
Bidder #4	Alaska Bidder and Class III Products Preference	12% (5% + 7%)
Bidder #5	Alaska Bidder Preference	5%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference by the corresponding raw bid price.

- Bidder #2 - \$6,500 x 3% (.03) = \$195
- Bidder #3 - \$6,700 x 5% (.05) = \$335
- Bidder #4 - \$6,900 x 12% (.12) = \$828
- Bidder #5 - \$6,950 x 5% (.05) = 347.50

STEP 4

List all bid prices, adjusted where appropriate by the application of the Alaska Bidder Preference and the Alaska Products Preference.

Bidder #1 - \$6,100	No preferences apply
Bidder #2 - \$6,305	(\$6,500 - \$195)
Bidder #3 - \$6,365	(\$6,700 - \$335)
Bidder #4 - \$6,072	(\$6,900 - \$828)
Bidder #5 - \$6,602.50	(\$6,950 - \$347.50)

STEP 5

Identify the lowest bid. In the example, Bid #4 (\$6,072) is lowest and would get the award, provided it is a responsible and responsive bid.

[3] 5% RECYCLED PRODUCTS PREFERENCE AS 36.30.324 & AS 36.30.337

GENERAL EXPLANATION: AS 36.30.337(a) states, "In the evaluation of a bid or proposal for an agency procurement of products, the agency shall decrease the bid or proposal by five percent if the bid or proposal indicates that the product being purchased will be recycled products."

The Division of General Services (on behalf of DOA) maintains a listing of qualified recycled products – as well as the minimum acceptable recycled content for those products. Currently, paper products are the only items on the list.

NOTE: The 5% Recycled Products preference is applied to the entire bid price.

EXAMPLE

5% Recycled Products Preference

STEP 1

List the raw bid prices.

- Bidder #1 - \$6,100
- Bidder #2 - \$6,500
- Bidder #3 - \$6,700
- Bidder #4 - \$6,900
- Bidder #5 - \$6,950

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1	No preferences apply	0%
Bidder #2	Class I Products Preference	3%
Bidder #3	Alaska Bidder and Recycled Products Preference	10% (5% + 5%)
Bidder #4	Alaska Bidder and Class III Products Preference	12% (5% + 7%)
Bidder #5	Alaska Bidder Preference	5%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference by the corresponding raw bid price.

- Bidder #2 - \$6,500 x 3% (.03) = \$195
- Bidder #3 - \$6,700 x 10% (.10) = \$670
- Bidder #4 - \$6,900 x 12% (.12) = \$828
- Bidder #5 - \$6,950 x 5% (.05) = \$347.50

STEP 4

List all bid prices, adjusted where appropriate by the application of the Alaska Bidder Preference, the Alaska Products Preference, and the Recycled Products Preference.

- Bidder #1 - \$6,100 No preferences apply
- Bidder #2 - \$6,305 (\$6,500 - \$195)

Bidder #3 - \$6,030 (\$6,700 - \$670)
 Bidder #4 - \$6,072 (\$6,900 - \$828)
 Bidder #5 - \$6,602.50 (\$6,950 - \$347.50)

STEP 5

Identify the lowest bid. In the example, Bid #3 (\$6,030) is lowest and would get the award, provided it is a responsible and responsive bid.

Group Two:

[1] **15% EMPLOYMENT PROGRAM PREFERENCE**
 AS 36.30.170(c), AS 36.30.250, AS 36.30.311

GENERAL EXPLANATION: If a bidder qualifies for the Alaska Bidder Preference, is offering services through a qualified “*Employment Program*,” and offers a bid that is not more than fifteen percent higher than the lowest bid, the procurement officer shall award the contract to that bidder.

“Employment Program” means a nonprofit program to increase employment opportunities for individuals with physical or mental disabilities that constitute substantial handicap to employment.

In order to qualify for a preference under this section, a bidder must add value by actually performing, controlling, managing, and supervising the **services** provided, or a bidder must have sold **supplies** of the general nature solicited to other state agencies, governments, or the general public.

NOTE: A bidder may not claim more than one of the three disability related preferences for the same contract.

A current listing of qualified employment programs can be found at:
<http://www.labor.state.ak.us/dvr/2007-preflist.pdf>

EXAMPLE

15% Employment Program Preference

STEP 1

List the adjusted (from Group One) bid prices.

Bidder #1 - \$6,100
 Bidder #2 - \$6,305
 Bidder #3 - \$6,030 ****Lowest (Adjusted from Group One) Bid****
 Bidder #4 - \$6,072
 Bidder #5 - \$6,602.50

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1 No preferences apply from Group Two 0%

Bidder #2	No preferences apply from Group Two	0%
Bidder #3	No preferences apply from Group Two	0%
Bidder #4	Employment Program Preference	15%
Bidder #5	No preferences apply from Group Two	0%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference for each bid by the lowest bid received (\$6,030 – adjusted from Group One).

Bidder #4: $\$6,030 \times 15\% (.15) = \904.50

STEP 4

List all bid prices, adjusted where appropriate by the application of the Employment Program Preference.

Bidder #1 - \$6,100	No preferences apply from Group Two
Bidder #2 - \$6,305	No preferences from apply Group Two
Bidder #3 - \$6,030	No preferences from apply Group Two
Bidder #4 - \$5,167.50	(\$6,072 - \$904.50)
Bidder #5 - \$6,602.50	No preferences apply from Group Two

STEP 5

Identify the lowest bid. In the example, Bid #4 (\$5,167.50) is lowest and would get the award, provided it is a responsible and responsive bid.

**[2] 10% ALASKANS WITH DISABILITIES PREFERENCE
AS 36.30.250 & AS 36.30.170(e)**

GENERAL EXPLANATION: If a bidder qualifies for the Alaska Bidder Preference; is a “Qualifying Entity,” and offers a bid that is not more than ten percent higher than the lowest bid, the procurement officer shall award contract to that bidder.

AS 36.30.170(e) defines a “Qualifying Entity” as a:

- 1) sole proprietorship owned by a person with a disability;*
- 2) partnership, if each of the partners is a person with a disability; or*
- 3) limited liability company organized under AS 10.50 if each of the members is a person with a disability;*
- 4) corporation that is wholly owned by individuals and each of the individuals is a person with a disability*

In order to qualify for a preference under this section, a bidder must add value by actually performing, controlling, managing, and supervising the **services** provided, or a bidder must have sold **supplies** of the general nature solicited to other state agencies, governments, or the general public.

NOTE: A bidder may not claim more than one of the three disability related preferences for the same contract.

A current listing of qualified Alaskans with disabilities can be found at:
<http://www.labor.state.ak.us/dvr/2007-preflist.pdf>

EXAMPLE

10% Alaskans with Disabilities Preference

STEP 1

List the adjusted (from Group One) bid prices.

- Bidder #1 - \$6,100
- Bidder #2 - \$6,305
- Bidder #3 - \$6,030 ****Lowest (Adjusted from Group One) Bid****
- Bidder #4 - \$6,072
- Bidder #5 - \$6,602.50

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1	No preferences apply from Group Two	0%
Bidder #2	Alaskans with Disabilities Preference	10%
Bidder #3	No preferences apply from Group Two	0%
Bidder #4	Employment Program Preference	15%
Bidder #5	No preferences apply from Group Two	0%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preferences for each bid by the lowest bid received (\$6,030 – adjusted from Group One).

- Bidder #2 - \$6,030 x 10% (.10) = \$603
- Bidder #4 - \$6,030 x 15% (.15) = \$904.50

STEP 4

List all bid prices, adjusted where appropriate by the application of the Employment Program Preference and the Alaskans with Disabilities Preference.

Bidder #1 - \$6,100	No preferences apply from Group Two
Bidder #2 - \$5,702	(\$6,305 – \$603)
Bidder #3 - \$6,030	No preferences apply from Group Two
Bidder #4 - \$5,167.50	(\$6,072 - \$904.50)
Bidder #5 - \$6,602.50	No preferences apply from Group Two

STEP 5

Identify the lowest bid. In the example, Bid #4 (\$5,167.50) is lowest and would get the award, provided it is a responsible and responsive bid.

**[3] 10% EMPLOYERS OF PEOPLE WITH DISABILITIES PREFERENCE
AS 36.30.250 & AS 36.30.170(f)**

GENERAL EXPLANATION: If a bidder qualifies for the Alaska Bidder Preference, employs a

staff that is made up of fifty percent or more people with disabilities, and offers a bid that is not more than ten percent higher than the lowest bid, the procurement officer shall award the contract to that bidder.

In order to qualify for a preference under this section, a bidder must add value by actually performing, controlling, managing, and supervising the **services** provided, or a bidder must have sold **supplies** of the general nature solicited to other state agencies, governments, or the general public.

NOTE: A bidder may not claim more than one of the three disability related preferences for the same contract.

A current listing of qualified employment programs can be found at:
<http://www.labor.state.ak.us/dvr/2007-preflist.pdf>

EXAMPLE

10% Employers of People with Disabilities Preference

STEP 1

List the adjusted (from Group One) bid prices.

- Bidder #1 - \$6,100
- Bidder #2 - \$6,305
- Bidder #3 - \$6,030 ****Lowest (Adjusted from Group One) Bid****
- Bidder #4 - \$6,072
- Bidder #5 - \$6,602.50

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1	No preferences apply from Group Two	0%
Bidder #2	Alaskans with Disabilities Preference	10%
Bidder #3	No preferences apply from Group Two	0%
Bidder #4	Employment Program Preference,	15%
Bidder #5	Employers of People with Disabilities	10%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference for each bid by the lowest bid received (\$6,030).

- Bidder #2 - \$6,030 x 10% (.10) = \$603
- Bidder #4 - \$6,030 x 15% (.15) = \$904.50
- Bidder #5 - \$6,030 x 10% (.10) = \$603

STEP 4

List all bid prices, adjusted where appropriate by the application of the Employment Program Preference, Alaskans with Disabilities Preference, and the Employers of People with Disabilities Preference.

Bidder #1 - \$6,100	No preferences apply from Group Two
Bidder #2 - \$5,702	(\$6,305 - \$603)
Bidder #3 - \$6,030	No preferences apply from Group Two
Bidder #4 - \$5,167.50	(\$6,072 - \$904.50)
Bidder #5 - \$5,999.50	(6,602.50 - \$603)

STEP 5

Identify the lowest bid. In the example, Bid #4 (\$5,167.50) is lowest and would get the award, provided it is a responsible and responsive bid.

[4] QUALIFYING FOR DISABILITY RELATED PREFERENCES

QUALIFICATION AND CERTIFICATION FOR DISABILITY RELATED PREFERENCES: The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development maintains lists of qualified employment programs, individuals who qualify as persons with a disability, and employers with 50 percent or more of their employees being persons with disabilities.

As evidence of an individual's or a business's right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the employment program or disabilities preferences described above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list, at the time the bid is opened, and must attach a copy of their certification letter to their bid. The bidder's failure to provide the certification letter mentioned above with their bid will cause the state to disallow the preference.

**[5] 7% LOCAL AGRICULTURAL & FISHERIES PRODUCTS PREFERENCE
AS 36.15.050**

GENERAL EXPLANATION: When agricultural, dairy, timber, lumber, or fisheries products are purchased by the state or by a school district using state money, only agricultural products harvested in the state, or in the case of fisheries products, harvested or processed within the jurisdiction of Alaska, shall be purchased, provided they are available of comparable quality, **and priced no more than seven percent higher than products harvested outside the state, or in the case of fisheries products, harvested or processed outside the jurisdiction of the state.**

EXAMPLE

7% Local Agricultural & Fisheries Products Preference

STEP 1

List the adjusted (from Group One) bid prices.

Bidder #1 - \$6,100
Bidder #2 - \$6,305
Bidder #3 - \$6,030 **Lowest (Adjusted from Group One) Bid**
Bidder #4 - \$6,072

Bidder #5 - \$6,602.50

STEP 2

Determine which preferences apply to each bid, and total all applicable preference percentages for each.

Bidder #1	No preferences apply from Group Two	0%
Bidder #2	Alaskans with Disabilities Preference, Local Agricultural & Fisheries Products	17% (10% + 7%)
Bidder #3	Employers of People with Disabilities	10%
Bidder #4	Employment Program Preference, Local Agricultural & Fisheries Products	22% (15% + 7%)
Bidder #5	Local Agricultural & Fisheries Products	7%

STEP 3

Calculate the amount of the applicable preference for each bid by multiplying the total preference for each bid by the lowest bid received (\$6,030).

Bidder #2 - $\$6,030 \times 17\% (.17) = \$1,025.10$

Bidder #3 - $\$6,030 \times 10\% (.10) = \603.00

Bidder #4 - $\$6,030 \times 22\% (.22) = \$1,326.60$

Bidder #5 - $\$6,030 \times 7\% (.07) = \422.10

STEP 4

List all bid prices, adjusted where appropriate, by the application of the Employment Program Preference, Alaskans with Disabilities Preference, Employers of People with Disabilities Preference, and the Local Agricultural and Fisheries Products Preference.

Bidder #1 - \$6,100 No preferences apply from Group Two

Bidder #2 - \$5,279.90 (\$6,305 - \$1,025.10)