Submitted by: Assembly Member Goecker
Assembly Member Baldwin Day
Prepared by: Assembly Legal Services
For reading: May 12, 2026

ANCHORAGE, ALASKA
AO No. 2026-40(S-1), As Amended

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE SECTION 7.10.010 AND CHAPTER 7.20 TO CREATE A VETERAN-OWNED BUSINESS PREFERENCE PROGRAM FOR SPECIFIC CONTRACTING CATEGORIES.

WHEREAS, Alaska has the highest percentage of veterans of any state in the country, with nearly one in ten residents having served in the armed forces; **and**

WHEREAS, the Municipality of Anchorage is home to an estimated 37,357 civilians who have served in the military, representing approximately 12.9 percent of the local adult population; and

WHEREAS, Anchorage is home to Joint Base Elmendorf–Richardson (JBER), the largest U.S. military installation in Alaska, hosting 32,000 service members, their families, and civilian personnel; and

WHEREAS, the Municipality seeks to honor the extraordinary service rendered to the United States by veterans, encourage them to remain in the Anchorage area, and stimulate economic growth within the community; and

WHEREAS, the Municipality can advance these goals by providing a preference to small businesses owned and controlled by veterans in the award of certain contracts; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code section 7.10.010 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out)*:

7.10.010 Definitions.

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Architectural-engineering services means those professional services within the scope of the practice of architecture, engineering or land surveying, as defined by the law of the state.

Bidder preference means **a percentage or dollar amount applied to a bid for evaluation purposes only. This adjustment is used to determine the lowest responsive and responsible bidder but shall not reduce the actual contract award amount, which shall be** *as provided in chapter 7.20* ~~***[based on the bid as submitted]***~~**~~[an amount deducted, for bid evaluation purposes only, from the contract base bid in order to calculate the bid price to be used to evaluate the bid on a competitively bid contract.~~**

~~Bidder preferences do not affect the contract price~~].

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Joint venture means a commercial enterprise undertaken by more than one business enterprise jointly, limited in its scope and duration to one project, for the purpose of each enterprise's profiting thereby.

Local bidder means a person or entity who:

1. Holds a current state business license;

2. Holds a valid municipal contractor's or business license, if applicable;

3. Submits a bid for goods, services, or construction under the name as appears on the person's current state and, if applicable, municipal business license; and

4. Has maintained a place of business within the municipality staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid.

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Supplies means any tangible personal property.

Veteran means a ***current legal resident of the State of Alaska [~~person~~]*** who has served in the **United States[~~U.S.~~]** Army, Navy, Marine Corps, Air Force, Space Force, or Coast Guard **or in the Alaska Territorial Guard, Army National Guard, Air National Guard, or Naval Militia** and was discharged or separated under honorable conditions.

Veteran-owned business means an enterprise which:

1. Is at least 51 percent owned by one or more veterans, or in the case of a publicly held corporation, at least 51 percent of all classes of the stock of which is owned by one or more veterans, whose management, policies, major decisions and daily business operations are independently managed and controlled by one or more veterans; and

2. Has been:

   a. Determined by the purchasing officer to qualify as a veteran-owned business pursuant to chapter 7.20; or

   b. Verified and approved by the United States Small Business Administration as a service-disabled veteran-owned small business or a veteran-owned small business.

Woman-owned business enterprise or *WBE* means a small independent business concern:

1. Which is owned at least 51 percent by one or more women, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

2. Whose management and daily business operations are controlled by one or more of the women who own it.

(AO No. No. 79-203, 1-1-80; AO No. 2001-146, §§ 2—19, 8-28-01; AO No. 2017-143, § 1, 11-7-17; AO No. 2024-36(S), § 1, 4-23-24; AO No. 2024-110(S), § 7, 11-26-24; AO No. 2025-37, § 2, 5-16-25; AO No. 2025-139(S), § 1, 1-13-26)

Section 2. Anchorage Municipal Code chapter 7.20 is hereby amended to read as follows (*the remainder of the section is not affected and therefore not set out)*:

Chapter 7.20 METHODS OF SOURCE SELECTION

{NOTE: current text of section 7.20.020., which was omitted from original AO as well as all substitute versions, is inserted in this floor amendment without markup and then amended as indicated}

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7.20.020 Solicitation and acceptance of bids; invitations to bid (ITBs).

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F. Bids must conform to ITB. Bids shall be accepted unconditionally without alteration or correction***, except alterations allowed for bidders with bidding preferences that exercise the right to match under section 7.20.040***. For purposes of determining the low bidder and the responsiveness of bids, no criteria except those set forth in the invitation for bids, including all specifications and addenda, may be used. The purchasing officer may use their discretion to interpret the intent of a bidder's response.

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(AO No. 79-203, 1-1-1980; AO No. 88-163; AO No. 2009-134, § 1, 1-12-2010; AO No. 2024-36(S), § 3, 4-23-2024; AO No. 2025-37, § 11, 5-16-2025)

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7.20.040 Procedures for award.

A. *Contracts issued pursuant to ITB.* Contracts shall be awarded by written notice issued by the purchasing officer to the lowest responsive and responsible bidder. In evaluating bids, the following preferences **shall[~~may~~]** be granted to prospective bidders **when funds are available and such preference is not prohibited by the funding source.**

1. *Local bidder preference.* *A five percent preference in bid price not to exceed $50,000.00 shall be given to local bidders***[~~P~~]**[HOWEVER, P]*[REFERENCE* ***~~shall~~]*** **[MAY]** *[BE GIVEN TO LOCAL BIDDERS USING THE SLIDING SCALE IN* ***~~this~~*** *SUBSECTION]*[A1 OF THIS SECTION] **[WHEN FUNDS ARE AVAILABLE AND SUCH PREFERENCE IS NOT PROHIBITED BY THE FUNDING SOURCE]**.

   [~~a~~][1] *[. SLIDING SCALE.*

   ~~i~~][a]*[. A FIVE PERCENT PREFERENCE IN BID PRICE NOT TO EXCEED $5,000.00 ON PURCHASES NOT EXCEEDING $166,667.00;*

   ~~ii~~][b]*[. A THREE PERCENT PREFERENCE IN BID PRICE NOT TO EXCEED $10,000.00 ON PURCHASES EXCEEDING $166,667.00 BUT NOT EXCEEDING $500,000.00; AND*

   ~~iii~~][c]*[. A TWO PERCENT PREFERENCE IN BID PRICE NOT TO EXCEED $20,000.00 ON PURCHASES EXCEEDING $500,000.00.*

   [~~b~~][2]*[.LOCAL BIDDER PREFERENCE, AS PROVIDED BY THIS* ***~~sub~~****section, Shall Be Specified In The Invitation To Bid Documents.]*

2. *Veteran bidder preference.* Unless otherwise prohibited by federal, state or local law, a five percent preference *in bid price not to exceed $50,000.00* shall be applied when the qualified bidder is an eligible joint venture or a veteran-owned business enterprise.

   a. A bidder seeking to receive a preference under to this section shall include with its bid submission an affidavit, **official service discharge form (**DD Form 214**[~~-Certificate of Release or Discharge from Active Duty~~]**, **NGB Form 22, or other service equivalent),** and any other supporting documentation deemed necessary by the purchasing officer, demonstrating that the bidder satisfies all requirements applicable to an eligible joint venture or veteran-owned business enterprise.

   b. If the bidder is a joint venture between a non-veteran owned business and a veteran-owned business, the bidder shall be eligible only if there is majority veteran ownership. For a joint venture to qualify, the majority veteran ownership must be verified prior to

bid award.[~~If the bidder is a joint venture between a business and a veteran-owned business, the bidder shall be eligible for a percentage of the preference referenced above, which shall be awarded in direct proportion to the ownership interests of the veteran-owned business in the joint venture.~~]

c. For contracts exceeding two (2) years, including any options, the purchasing officer shall verify, no more than 120 days prior to the end of the second year of the contract, that the eligible joint venture or veteran-owned business enterprise continues to meet the definition of an eligible joint venture or veteran-owned business. If the veteran owned business is no longer eligible, the purchasing officer may terminate the contract for convenience if doing so is in the best interest of the municipality.[~~As a condition of receiving the bid preference, the eligible joint venture or veteran-owned business enterprise shall continue to meet the definition of an eligible joint venture or veteran-owned business enterprise for the duration of the term of the contract.~~]

[~~d. Veteran bidder preference, as provided by this subsection, shall be specified in the invitation to bid documents.~~]

3. The bidder preferences established in this section may be combined with each other or any other bidder preference authorized under code or state law *and shall be specified in the invitation to bid documents*. [IF THE MAYOR OR THE MAYOR'S DESIGNEE, OR ASSEMBLY DETERMINES THAT IT IS IN THE BEST INTEREST OF THE MUNICIPALITY TO DO SO, THE MUNICIPALITY MAY REJECT ALL BIDS.]

4. Bidder preference right to match. If a business with a bidder preference submits a bid where the adjusted bid price is the lowest responsive and responsible bidder and there is another bidder's offered price lower than the preference business's unadjusted bid price, the purchasing officer shall first offer the preference business a right to match the actual lowest bid price in the tabulation. The preference bidder shall have no more than 3 business days to exercise the right to match. If so exercised the preference business shall be considered the lowest responsive bidder but the actual price for the contract award shall be the lowest unadjusted bid price in the tabulation. If the preference bidder declines, or fails to exercise the right to match within the time provided, the purchasing officer shall recommend award of the contact

<u>to the bidder with the actual unadjusted low bid price.</u>

B. [*LOCAL BIDDER.* FOR PURPOSES OF THIS CHAPTER, THE TERM "LOCAL BIDDER" IS DEFINED AS A PERSON OR ENTITY WHO:

1. HOLDS A CURRENT STATE BUSINESS LICENSE;

2. HOLDS A VALID MUNICIPAL CONTRACTOR'S OR BUSINESS LICENSE, IF APPLICABLE;

3. SUBMITS A BID FOR GOODS, SERVICES, OR CONSTRUCTION UNDER THE NAME AS APPEARS ON THE PERSON'S CURRENT STATE AND, IF APPLICABLE, MUNICIPAL BUSINESS LICENSE; AND

4. HAS MAINTAINED A PLACE OF BUSINESS WITHIN THE MUNICIPALITY STAFFED BY THE BIDDER OR AN EMPLOYEE OF THE BIDDER FOR A PERIOD OF SIX MONTHS IMMEDIATELY PRECEDING THE DATE OF THE BID.

C.] *Rejecting all bids.* At the discretion of the purchasing officer, all bids may be rejected. <u>Additionally, if the mayor or the mayor's designee, or assembly determines that it is in the best interest of the municipality to do so, the municipality may reject all bids.</u>

<u>C</u>[D]. *Form of contract awarded.* The contract awarded shall be the contract published in the invitation for bids, including all specifications and contractual terms applicable to the procurement.

<u>D</u>[E]. *Bids in excess of certified funds.* If the lowest responsive and responsible bid exceeds the amount of funds certified by the chief fiscal officer to be available for the procurement, and if sufficient additional funds are not made available, the scope of the procurement may be reduced to bring its estimated cost within the amount of available funds. The purchasing officer shall issue a new invitation for bids for the reduced procurement, or, upon a finding that the efficient operation of the municipal government requires that the contract be awarded without delay, the purchasing officer may negotiate with the lowest responsive and responsible bidder or up to the three lowest bidders, and may award or recommend to the assembly for award, the reduced contract to the best negotiated proposal.

(AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 95-147, § 1, 8-27-95; AO No. 2025-37, § 13, 5-16-25)

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7.20.060 Competitive sealed proposals; negotiated procurement; requests for proposals (RFPs).

A. *Competitive sealed proposals.* If the purchasing officer determines that use of competitive sealed bidding is either not practicable or not advantageous, the municipality may procure supplies, professional services, general services or construction by competitive sealed proposals under this section.

B. *Requests for proposals (RFPs).* The purchasing officer shall solicit competitive sealed proposals by issuing a request for proposals. The request for proposals shall state, or incorporate by reference, all specifications and contractual terms and conditions to which a proposal must respond, the factors to be considered in evaluating proposals, the relative importance of those factors, and the manner and time limits for submitting proposals. Public notice of a request for proposals shall be given in accordance with subsection 7.20.020B. One or more pre-proposal conferences may be held in accordance with subsection 7.20.020C. A request for proposals may be modified or interpreted only in the manner provided in subsection 7.20.020C.

C. *Proposal submission.* The purchasing officer shall require proposals to be submitted electronically or by means of sealed envelopes. If the purchasing officer accepts proposals by means of sealed envelopes, they shall be designated as such and shall be submitted in the manner required and no later than the time specified in the request for proposals. Proposals submitted by sealed envelope that are not submitted in the manner required or within the time specified in the request for proposals shall not be opened or considered. Proposals submitted electronically shall be submitted as specified and no later than the time specified in the request for proposals. Proposals submitted electronically that are not received by the means and time specified in the request for proposals shall not be opened or considered.

D. *Opening proposals; pre-award confidentiality.* Proposals shall be opened so as to avoid disclosing their contents to competing proposers during the evaluation, discussion, and negotiation process. Notwithstanding chapter 3.90, the names of the responding firms, contents of the proposals, tabulations and evaluations thereof shall be open to public inspection only after assembly approval of a contract award, except that the names of responding firms may be reported to the assembly. However, the purchasing officer shall issue a notice of intent to award to all responding proposers at least seven days prior to assembly approval. Upon request by a competing proposer, the recommended awardee's proposal shall be opened for review. The review by a competing proposer is to assure reasonable access and opportunity to request a debriefing from the purchasing officer prior to assembly action on the proposed award. If an award does not require assembly approval, public inspection shall be allowed for a period of seven days after the purchasing officer has issued a notice of intent to award, after which, if there are no pending reviews or actions from any competing proposer, award may be made.

E. *Preference for veteran-owned businesses.* When conducting a competitive solicitation procedure for a contract to which this policy applies, no less than five percent of the available evaluation points (five points on a 100-point scale), shall be awarded to a respondent that is a veteran-owned business **when funds are available and such preference is not prohibited by the funding source**.

1. A proposer seeking to receive a preference under this section shall include with its proposal submission an affidavit, DD Form 214 - Certificate of Release or Discharge from Active Duty, and any other supporting documentation deemed necessary by the purchasing officer, demonstrating that the bidder satisfies all requirements applicable to an eligible joint venture or veteran-owned business enterprise.

2. If the proposer is a joint venture between a business and a veteran-owned business, the proposer shall be eligible for a percentage of the evaluation points referenced above, which shall be awarded in direct proportion to the ownership interests of the veteran-owned business in the joint venture.

3. As a condition of receiving the preference, the eligible joint venture or veteran-owned business enterprise shall continue to meet the definition of an eligible joint venture or veteran-owned business enterprise for the duration of the contract.

d. Veteran-owned business preference, as provided by this subsection, shall be specified in the request for proposals documents.

F. *Negotiations with short-listed proposers.* In the manner provided in the request for proposals, the purchasing officer may enter into discussions with those responsible proposers whose proposals are determined by the purchasing officer to be most reasonably responsive to the request for proposals (short-listed firms). The purchasing officer may issue an interim notice to the remaining firms that a qualified list has been established for discussion purposes. No disclosure of the short-listed firms, contents of proposals, tabulations or evaluations thereof shall be made in accordance subsection D. above. Discussions shall be used to clarify and ensure full understanding of the requirements of the request for proposals. The purchasing officer may permit those short-listed firms to revise their proposals after submission and prior to award to obtain best and final offers. Proposers deemed eligible for discussions shall be treated equally regarding any opportunity to discuss and revise proposals. However, if during the discussions it is evident that the proposals, as submitted, will exceed the available funding, and/or other changes in the terms, conditions, or requirements are needed to clarify or fulfill the requirements of the municipality, the purchasing officer shall issue a written modification to those short-listed firms with an established date and time for the firms to respond. The failure of a short-listed firm to respond or to notify the purchasing officer of a needed time extension may be just cause to remove the proposer from further consideration. In conducting discussions or requesting revisions, neither the purchasing officer nor any other municipal officer or employee shall disclose any information derived from other competing proposals.

G[F]. *Award after negotiation.* If fair and reasonable compensation, contract requirements and contract documents can be agreed upon with the most qualified proposer (or, in the case where an award is to be made to more than one proposer, to the most qualified proposers), the contract shall be awarded to the most qualified proposer (or proposers).

H[G]. *Failure to come to terms*. If fair and reasonable compensation, contract requirements and contract documents cannot be agreed upon with the most qualified proposer, the purchasing officer shall advise the proposer of the termination of negotiations. If the proposals were submitted by one or more other proposers determined to be qualified, negotiations may be conducted with such other proposers in the order of their respective rankings. The contract may be awarded to the proposer then determined to be most advantageous to the municipality.

I[H]. *Written notice of award.* Awards shall be made by written notice to the proposer whose final proposal is determined to be most advantageous to the municipality. No criteria other than those set forth in the request for proposals may be used in proposal evaluation. If the mayor determines that it is in the best interest of the municipality to do so, the municipality may reject all proposals.

J[I]. *Consideration of costs.* When the service is routine and repetitious, costs of the anticipated service shall be considered during evaluation of proposals. This subsection shall not apply to a qualifications-based selection process.

1. When the source selection is for architectural and/or engineering services, (herein A/E services) a qualifications-based selection process shall be used. Price will not be a factor in the selection of the architect or engineer during the evaluation process.

2. Notwithstanding subsection I.1 of this section, the purchasing officer may include price as an added factor in selecting architectural and engineering services when, in the judgment of the purchasing officer, the services required are repetitious in nature, and the scope, nature, and amount of services required are thoroughly defined by measurable and objective

standards to reasonably enable proposers to compete with a clear understanding and interpretation of the services required.

a.[(A)] In order to include price as a factor in selection of architectural and engineering services, a majority of the persons involved by the purchasing officer in evaluating the proposals must be registered in the state to perform architectural or engineering services.

3. Subsections I.1 and 2 of this section do not apply to a design/build contract.

4. Except as otherwise required by state law in particular situations, this section shall apply to all procurements of architectural and engineering services by the municipality.

(AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 92-82(S), 1-1-93; AO No. 92-87(S); AO No. 94-174, § 1, 10-25-64; AO No. 2001-122(S-1), § 5, 7-24-01; AO No. 2007-22, § 2, 2-27-07; AO No. 2023-56(S), § 1, 5-9-23; AO No. 2024-36(S), § 4, 4-23-24; AO No. 2025-37, § 15, 5-16-25)

7.20.070 Informal competitive bid procedures—Open market procedure; requests for quotations.

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C. *Award to lowest bidder.* Awards, where practicable, shall be made to the lowest responsive and responsible bidder. The purchasing officer shall keep a record of all open market bids received and awards made thereon. [LOCAL] B[B]idders preferences *may[SHALL]* be applied in accordance with section 7.20.040.

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(AO No. 79-203, 1-1-80; AO No. 2001-122(S-1), § 6, 7-24-01; AO No. 2019-130(S), § 2, 12-3-19; AO No. 2025-37, § 16, 5-16-25)

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{NOTE: current text of section 7.20.120., which was omitted from original AO as well as all substitute versions, is inserted in this floor amendment without markup and then amended as indicated}

7.20.120 ***Reporting[WAIVER OF FORMAL PROCEDURES (REPEALED)].***

A. No later than 90 days after the closing of each fiscal year, the purchasing officer shall submit an annual report to the assembly. The report shall include, for each contract awarded during the preceding fiscal year to either a local business or veteran-owned business pursuant to a preference authorized under sections 7.20.040 and 7.20.060:

1. ***The number of contracts awarded pursuant to each authorized preference as a percentage of the total contracts awarded in the preceding fiscal year;***

2. ***The name of each eligible business or venture that was awarded a contract and the type of preference applied;***

3. ***A description of the goods or services procured;***

4. ***The total contract award amount; and***

5. ***The dollar amount of the bid price preference applied on behalf of each recipient.***

B. ***The purchasing officer shall maintain records sufficient to support the annual report.***

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Section 3. This ordinance shall be effective ***September 1, 2026***[~~July 1, 2026~~] upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 23rd day of June, 2026.

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Chair

ATTEST:

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Municipal Clerk