

(S) Submitted by: Chair of the Assembly at  
the Request of the Mayor  
(S) Prepared by: Dept. of Law  
(S) For reading: May 12, 2026

**ANCHORAGE, ALASKA**  
**AO No. 2026-40(S-2)\***

**{NOTE: this (S-2) version is presented without legislative drafting markup from the original AO text; it is written as a new ordinance. See the AM for summary of changes.}**

**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.**

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**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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Alaska veteran means an individual who is both a resident of the state and a veteran.

*Architectural-engineering services* means those professional services within the scope of the practice of architecture, engineering or land surveying, as

1 defined by the law of the state.

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3 Bidder preference means a percentage or dollar amount applied to a bid for  
4 evaluation purposes only. This adjustment is used to determine the lowest  
5 responsive and responsible bidder but shall not reduce the actual contract  
6 award amount, which shall be based on the bid as submitted.

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

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14 Local bidder means a person or entity who:

- 15  
16 1. Holds a current state business license;  
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18 2. Holds a valid municipal contractor's or business license, if  
19 applicable;  
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21 3. Submits a bid for goods, services, or construction under the  
22 name as appears on the person's current state and, if  
23 applicable, municipal business license; and  
24  
25 4. Has maintained a place of business within the municipality  
26 staffed by the bidder or an employee of the bidder for a period  
27 of six months immediately preceding the date of the bid.

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30 *Supplies* means any tangible personal property.

31  
32 Veteran means an individual who:

- 33  
34 1. served in the:  
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36 a. armed forces of the United States, including a reserve  
37 unit of the United States armed forces; or  
38 b. Alaska Territorial Guard, the Alaska Army National  
39 Guard, the Alaska Air National Guard, or the Alaska  
40 Naval Militia; and  
41  
42 2. was separated from service under a condition that was not  
43 dishonorable within five years preceding the date bids or  
44 proposals are due.

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46 Veteran-owned business means a:

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48 1. sole proprietorship owned by an Alaskan veteran;  
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50 2. partnership under AS 32.06 or AS 32.11 if a majority of the

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partners are Alaska veterans;

limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or

3. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans, and

4. 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**

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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 be granted to prospective bidders [HOWEVER, PREFERENCE MAY BE GIVEN TO LOCAL BIDDERS USING THE SLIDING SCALE IN SUBSECTION A.1 OF THIS SECTION] when funds are available and such preferences are [IS] not prohibited by the funding source.

1. Local bidder preference. A preference in bid price shall be

1                    given to local bidders according to the following sliding scale:

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3                    a. Sliding Scale.

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5                    i.    A five percent preference in bid price not to exceed  
6                    \$5,000.00 on purchases not exceeding \$166,667.00;  
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8                    ii.   A three percent preference in bid price not to exceed  
9                    \$10,000 on purchases exceeding \$166,667.00 but  
10                   not exceeding \$500,000.00; and  
11  
12                   iii.   A two percent preference in bid price not to exceed  
13                   \$20,000.00 on purchases exceeding \$500,000.00.  
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15                   b[2]. Local bidder preference, as provided by this subsection,  
16                   shall be specified in the invitation to bid documents.  
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18                   2. Veteran bidder preference. Unless otherwise prohibited by  
19                   federal, state, or local law, a preference in bid price shall be  
20                   applied when the qualified bidder is an eligible joint venture or  
21                   a veteran-owned business enterprise, according to the  
22                   following sliding scale.  
23

24                   a. Sliding Scale.

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26                   i.    A five percent preference in bid price not to exceed  
27                   \$5,000.00 on purchases not exceeding \$166,667.00;  
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29                   ii.   A three percent preference in bid price not to exceed  
30                   \$10,000 on purchases exceeding \$166,667.00 but  
31                   not exceeding \$500,000.00; and  
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33                   iii.   A two percent preference in bid price not to exceed  
34                   \$20,000.00 on purchases exceeding \$500,000.00.  
35

36                   b. Veteran bidder preference, as provided by this subsection,  
37                   shall be specified in the invitation to bid documents.  
38

39                   c. A bidder seeking to receive a preference under to this  
40                   section shall include with its bid submission an affidavit,  
41                   official service discharge form (DD Form 214, NGB Form  
42                   22, or other service equivalent), and any other supporting  
43                   documentation deemed necessary by the purchasing  
44                   officer, demonstrating that the bidder satisfies all  
45                   requirements applicable to an eligible joint venture or  
46                   veteran-owned business enterprise.  
47

48                   d. If the bidder is a joint venture between a non-veteran owned  
49                   business and a veteran-owned business, the bidder shall be  
50                   eligible for a percentage of the preference referenced

1                   above, which shall be awarded in direct proportion to the  
 2                   ownership interests of the veteran-owned business in the  
 3                   joint venture. For a joint venture to qualify, the majority  
 4                   veteran ownership must be verified prior to bid award.

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 6                   e. For contracts exceeding two (2) years, including any  
 7                   options, the purchasing officer shall verify, no more than  
 8                   120 days prior to the end of the second year of the contract,  
 9                   that the eligible joint venture or veteran-owned business  
 10                   enterprise continues to meet the definition of an eligible joint  
 11                   venture or veteran-owned business. If the veteran owned  
 12                   business is no longer eligible, the purchasing officer may  
 13                   terminate the contract for convenience if doing so is in the  
 14                   best interest of the municipality.

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 16                   f. A veteran bidder is no longer eligible to receive this  
 17                   preference once it has received \$500,000 in cumulative bid  
 18                   price preferences. Notwithstanding loss of eligibility, the  
 19                   veteran contractor remains under contractual obligation to  
 20                   complete all existing contracts, and any priced options that  
 21                   may be exercised.

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 23                   3.           The bidder preferences under this section may be combined  
 24                   with one another or with any other bidder preference authorized  
 25                   by applicable law, provided, however, that where two or more  
 26                   such preferences are combined, the total preference applied  
 27                   shall not exceed 150% of the highest single preference that  
 28                   would otherwise apply, and shall be specified in the invitation  
 29                   to bid documents. [IF THE MAYOR OR THE MAYOR'S  
 30                   DESIGNEE, OR ASSEMBLY DETERMINES THAT IT IS IN  
 31                   THE BEST INTEREST OF THE MUNICIPALITY TO DO SO,  
 32                   THE MUNICIPALITY MAY REJECT ALL BIDS.]

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 34                   4.           The purchasing officer shall submit an annual report to the  
 35                   Assembly no later than 90 days after the closing of each fiscal  
 36                   year. The report shall include, for each invitation to bid awarded  
 37                   under this section during the preceding fiscal year: (1) the name  
 38                   of each veteran-owned enterprise or eligible joint venture that  
 39                   was awarded a contract, (2) a description of the goods or  
 40                   services procured, (3) the total contract award amount, and (4)  
 41                   the dollar amount of the bid price preference applied on behalf  
 42                   of each recipient. The purchasing office shall maintain records  
 43                   sufficient to support the annual report.

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

- 47  
 48                   1.           HOLDS A CURRENT STATE BUSINESS LICENSE;  
 49  
 50                   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. 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.

C[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.

D[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)

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

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk

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# MUNICIPALITY OF ANCHORAGE

## Assembly Memorandum

AM No.      - 2026

Meeting Date:                     

1 **FROM: MAYOR**

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3 **SUBJECT: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL**  
4 **ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE**  
5 **SECTION 7.10.010 AND CHAPTER 7.20 TO CREATE A**  
6 **VETERAN-OWNED BUSINESS PREFERENCE PROGRAM FOR**  
7 **SPECIFIC CONTRACTING CATEGORIES.**  
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10 The following summarizes the proposed changes in the S-2 version to AO 2026-  
11 40:

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- 13 • **New definitions added (7.10.010):** Four new terms are added to the  
14 definitions section: “Alaska veteran” (a state resident who is a veteran),  
15 “bidder preference” (clarifying preferences are for evaluation only and do  
16 not reduce the actual contract award amount), “veteran” and “veteran-  
17 owned business.” The existing “local bidder” definition is relocated here  
18 from 7.20.040 to consolidate definitions in one place.
- 19 • **Local bidder preference restructured (7.20.040 A.1):** The existing local  
20 bidder sliding scale preference (5%/3%/2%, capped at  
21 \$5,000/\$10,000/\$20,000 depending on contract size) is retained but  
22 reorganized.
- 23 • **New veteran bidder preference established (7.20.040 A.2):** An identical  
24 sliding scale preference is created for eligible veteran-owned businesses  
25 and joint ventures. Bidders must submit discharge documentation and an  
26 affidavit to qualify. For joint ventures, the preference is proportional to the  
27 veteran ownership interest. Eligibility terminates once a business has  
28 received \$500,000 in cumulative bid price preferences.
- 29 • **Ongoing eligibility verification (7.20.040 A.2):** For contracts exceeding  
30 two years, the purchasing officer must re-verify veteran-owned business  
31 eligibility within 120 days before the end of the second contract year, with  
32 authority to terminate for convenience if eligibility lapses.
- 33 • **Preference stacking and annual reporting required (7.20.040 A.3-4):**  
34 Preferences may be combined but may not collectively exceed 150% of  
35 the highest single applicable preference. The purchasing officer must  
36 submit an annual report to the Assembly within 90 days after each fiscal  
37 year detailing contracts awarded, goods or services procured, award  
38 amounts, and preference amounts applied.
- 39 • **Veteran preference removed from the RFP process:** This proposal

1 removes any veteran bidder preference from the RFP process, limiting the  
2 veteran preference exclusively to ITB procurements.  
3

4 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

5  
6 Prepared by: Jason Bockenstedt, Assistant Municipal Attorney  
7 Approved by: Chris Hunter, Purchasing Director  
8 Concur: Ona R. Brause, Director, OMB  
9 Concur: Eva Gardner, Municipal Attorney  
10 Concur: William D. Falsey, Chief Administrative Officer  
11 Concur: Rebecca A. Windt Pearson, Municipal Manager  
12 Respectfully submitted: Suzanne LaFrance, Mayor  
13