

ASSEMBLY MEMBERS GOECKER & BALDWIN DAY

**AO 2026-40(S-1)
VETERAN'S
PREFERENCE
PROGRAM**



VETERAN'S PREFERENCE

Three points:

- Definition of Veteran
- Preference under ITB process
- Preference under the RFP

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DEFINING VETERAN

S-1

Veteran means a 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.

S-2

Veteran means an individual who:

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

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S-2

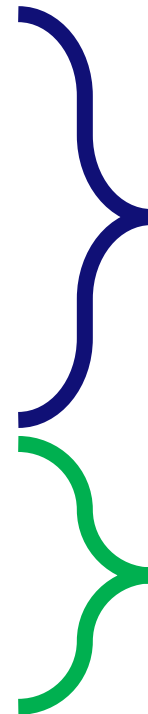
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DEFINING VETERAN

Discharges:

1. Honorable
2. General
3. General, under other than Honorable Conditions
4. Bad Conduct (Enlisted only)
5. Dishonorable (Dismissal for Officers).



Administrative.

Characterization is determined by commanders through and administrative process established by service Secretary

Punitive.

Can only be imposed as punishment by a Court-Martial following conviction of a crime.

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DEFINING VETERAN

Discharges:

1. Honorable
2. General
3. General, under other than Honorable Conditions

“The honorable characterization is appropriate when the quality of the enlisted Service member’s service generally has met the standards of acceptable conduct and performance of duty for Service members or is otherwise so meritorious that any other characterization would be clearly inappropriate ”

DEFINING VETERAN

Discharges:

1. Honorable
2. General
3. General, under other than Honorable Conditions

“If an enlisted Service member’s service has been honest and faithful, it is appropriate to characterize that service as general (under honorable conditions). Characterization of service as general (under honorable conditions) is warranted when the positive aspects of the enlisted Service member’s conduct or performance of duty outweigh negative aspects of the enlisted Service member’s conduct or performance of duty as documented in their service record.”

DEFINING VETERAN

Discharges:

1. Honorable
2. General
3. General, under other than Honorable Conditions

- "1. This characterization may be issued:
- a. When the reason for separation is based on a pattern of behavior that constitutes a significant departure from the conduct expected of enlisted Service members.
 - b. When the reason for separation is based on one or more acts or omissions that constitute a significant departure from the conduct expected of enlisted Service members. "

DEFINING VETERAN

Discharges:

1. Honorable
2. General
3. General, under other than Honorable Conditions

“Examples of factors that may be considered include the use of force or violence to produce serious bodily injury or death; abuse of a special position of trust; disregard by a superior of customary superior-subordinate relationships; acts or omissions that endanger U.S. security or the health and welfare of other Service members; and deliberate acts or omissions that seriously endanger the health and safety of other persons.”

DEFINING VETERAN

S-1

Eligible Veterans:

1. Honorable
2. General
3. General, under other than Honorable Conditions
4. Bad Conduct (Enlisted only)
5. Dishonorable (Dismissal for Officers).

S-2

Eligible Veterans:

1. Honorable
2. General
3. General, under other than Honorable Conditions
4. Bad Conduct
5. Dishonorable (Dismissal for Officers).

DEFINING VETERAN

S-1

Eligible Veterans:

1. Honorable
2. General

S-2

Eligible Veterans:

1. Honorable
2. General
3. General, under other than Honorable Conditions
4. Bad Conduct

DEFINING VETERAN

S-1

Veteran means a 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.

S-2

Veteran means an individual who:

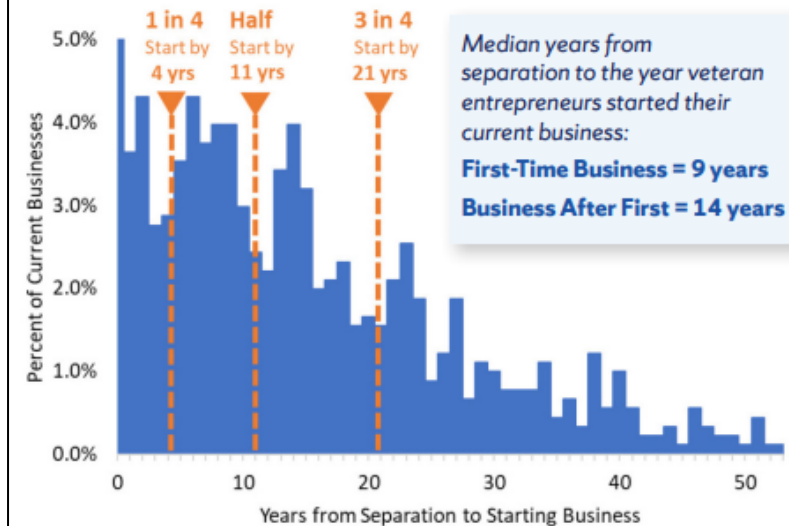
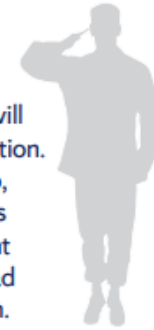
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 - a. armed forces of the United States, including a reserve unit of the United States armed forces; or
 - b. Alaska Territorial Guard, the Alaska Army National Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and
2. was separated from service under a condition that was not dishonorable within five years preceding the date bids or proposals are due.

DEFINING VETERAN

- The overwhelming majority of veteran owned businesses do not start-up within 5 years of discharge.
- Median years from separation for a first time business is 9 years.

Military Transition into Entrepreneurship

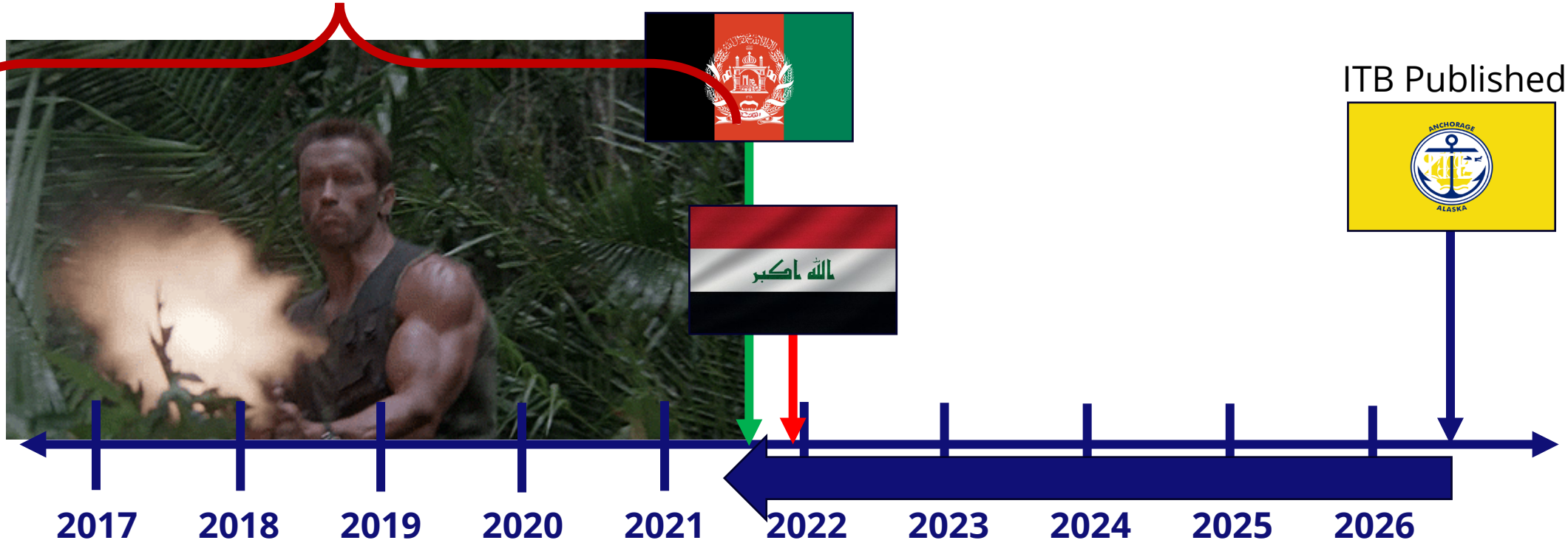
Although there are many trainings and resources for veterans during the time period immediately surrounding their departure from the military, data shows that veteran entrepreneurs often start business later on, meaning they will need access to business resources many years after separation. From the time of military separation to business ownership, one in four veterans surveyed started their current business within 4 years of separation, about half started their current business within 11 years of separation, and three in four had started their current business within 21 years of separation.



* Note: Graph includes only businesses in 2001 or later.

Definition of Veteran

A not insignificant amount of war



VETERAN'S PREFERENCE

Three points:

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PREFERENCE UNDER ITB

Three points:

- Definition of Veteran
- Preference under ITB process
 - Sliding Scale
 - Stacking the preference
- Preference under the RFP

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PREFERENCE UNDER ITB: SLIDING SCALE

Approximately 2/3 of ITB's accessible on BidExpress were awarded to bids of \$166,667 or more.

This would dramatically limit the preference's application to a significant portion of bids.

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].**

~~la~~[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

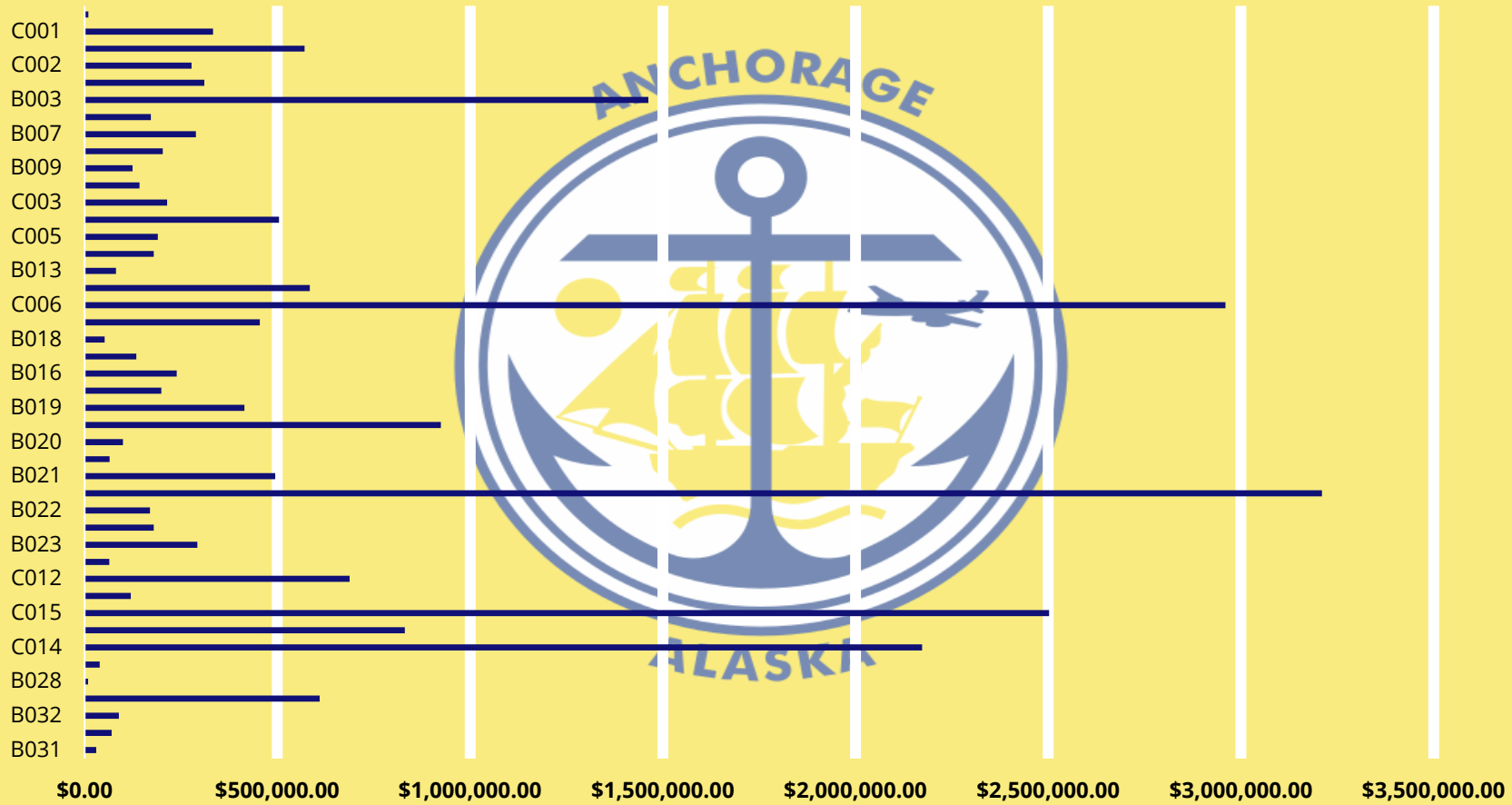
~~iii~~[c] ~~[.~~ A TWO PERCENT PREFERENCE IN BID PRICE NOT TO EXCEED \$20,000.00 ON PURCHASES EXCEEDING \$500,000.00.

~~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.

PREFERENCE UNDER ITB: SLIDING SCALE

2026 ITBs - Lowest Responsive Bids



Under the S-2:

5% preference applies to 14 cases.

3% preference applies to 16 bids

2% applies to 15 bids.

PREFERENCE UNDER ITB: SLIDING SCALE

For Example: the average bid for 2026 so far is \$517,176.91.*

S-1

A bid of \$500,000 would receive the .05 preference or \$25,000.

Meaning that it would be evaluated as \$475,000.

S-2

A bid of \$500,000 would receive the .03 preference or \$15,000 . . . Capped at \$10,000.

Meaning that it would be evaluated as \$490,000.

The S-2 reduces the preference by 60%

PREFERENCE UNDER ITB

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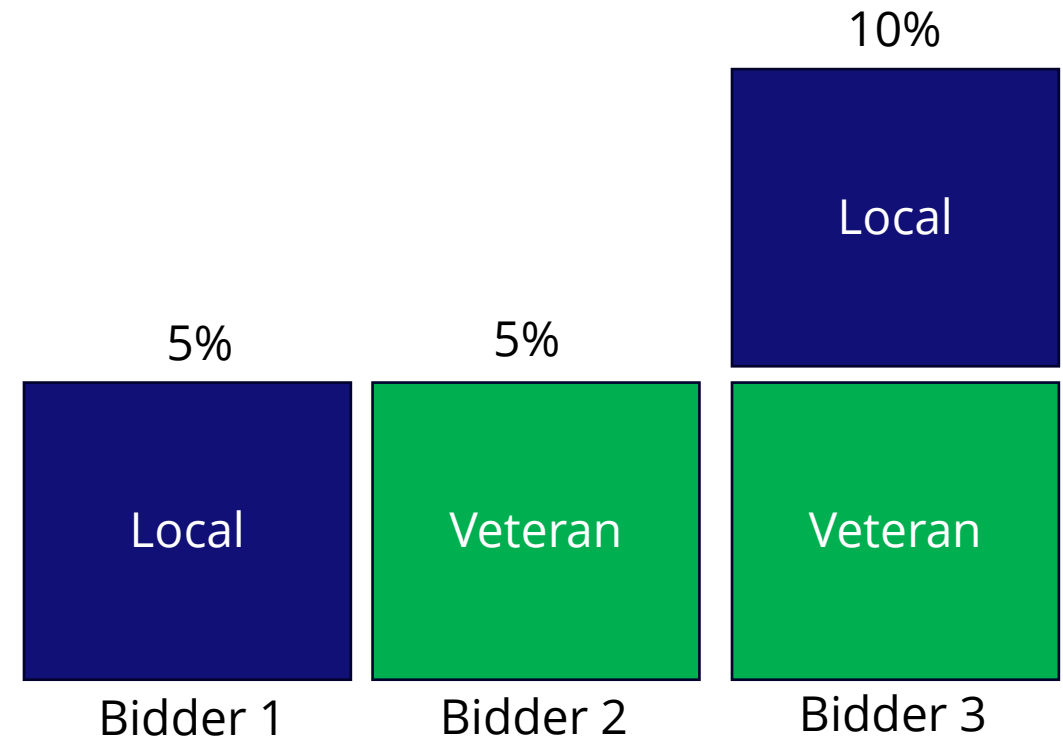
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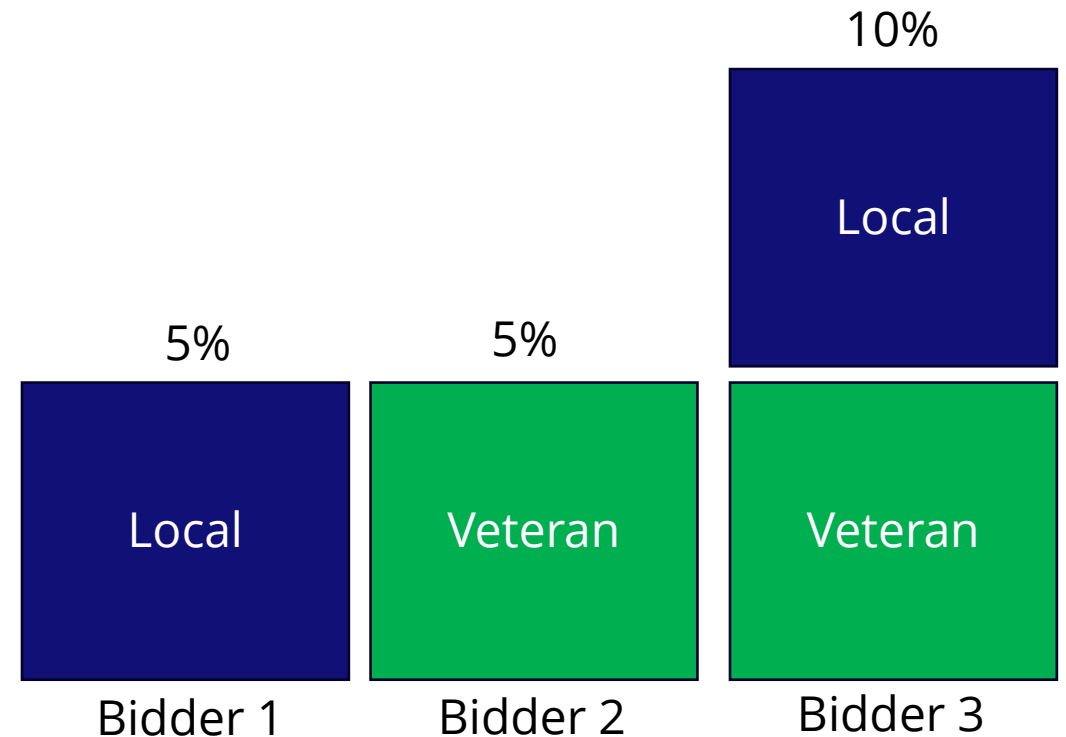
PREFERENCE UNDER ITB: STACKING

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.]



PREFERENCE UNDER ITB: STACKING

The S-1 not only provides a meaningful advantage to both veteran-owned and local businesses, but incentivizes veteran entrepreneurs to remain in Anchorage and create jobs.



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PREFERENCE UNDER THE RFP

(b) if applied to awards made pursuant to a request for proposals (where no local bidder or any other preference currently exists), tying the preference to a quantitative pricing evaluation factor, as opposed to other qualitative factors – in the RFP context, the Municipality is not buying interchangeable commodities, but often is choosing between different vendors and service providers with different offerings (lawyers with particular experience and expertise; software vendors with different product offerings, etc.); it may make sense to for a preference to apply to price, but, again, seems imperfectly applied to other qualitative “best value” factors.

PREFERENCE UNDER THE RFP

7.20.100 - Legal services.



- A. *Procurements of legal services; assembly reporting.* The purchasing officer may contract, without the use of competitive source selection procedures for legal services including retaining counsel, hiring of litigation or pre-litigation experts and consultants, and hiring court reporters and other necessary services related to legal process. All contract awards under this section, or any amendments thereto, may be procured by direct negotiation with an attorney or law firm qualified to undertake the type of legal assistance required, and shall be subject to the applicable approval requirements of sections [7.15.040](#) and [7.15.080](#) prior to execution, except that if the municipal attorney determines that public disclosure of information about the contract would reveal attorney-client information and adversely affect the municipality's legal interests, that information may be withheld from the public report and the assembly may request it in an executive session.
- B. *Municipal-attorney approval.* Except for procurement of legal services by the assembly as provided by [section 4.06](#) of the Charter and subsection C. of this section, no negotiations or contracts for the services of legal counsel may be pursued or awarded without the prior approval in writing of the municipal attorney. All bills or invoices for payment for legal services obtained pursuant to this section shall be reviewed and approved by the municipal attorney prior to payment. All funds budgeted, obligated or expended by any municipal department, agency or utility for contract legal services must be charged to a separate legal services budget account within that department, agency or utility.

PREFERENCE UNDER THE RFP

“In contrast to bids, a request for proposals (RFP) is used when the public authority is incapable of completely defining the scope of work required, when the service may be provided in several different ways, when the qualifications and quality of service are considered the primary factors instead of price, or when responses contain varying levels of service which may require subsequent negotiation and specificity.”

PREFERENCE UNDER THE RFP

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..

RFP Process

RFP 2026P032

Human Resources Department
Provide Pre-employment Background Checking Services

5.1 Evaluation Criteria Weighting

The criteria to consider during evaluations, and the associated point values, are as follows:

1. Firm Experience	20 points
2. References	20 points
3. Online Platform	20 points
4. Cost	<u>40 points</u>
Total Points Available	100 points

5.2 Qualitative Evaluation Criterion

Firms will be ranked using the following qualitative rating factors for each RFP criterion:

RFP 2026P031

Provide AWWU Expert Financial Services

5.0 EVALUATION CRITERIA AND PROCESS

5.1 Evaluation Criteria Weighting

The criteria to consider during evaluations, and the associated point values, are as follows:

1. Firm Qualification and Experience	10 points
2. Project Manager	25 points
3. Key Project Personnel, Subconsultants, and Availability of Support Staff	15 points
4. Contractor Availability	5 points
5. Project Methodology and Approach	25 points
6. Cost	<u>20 points</u>
Total Points Available	100 points

RFP Process

Lowest cost proposal x Maximum points for category

Cost of proposal being scored

EXAMPLE

Method used to convert Total Cost to Points (30 Points Maximum)

[STEP 1]

List all proposal costs.

Proposer #1	-	\$40,000
Proposer #2	-	\$45,000
Proposer #3	-	\$48,000

[STEP 2]

The RFP awards a maximum of 30% (30 points) of the total of 100 points for fee schedule.

Proposer #1 receives 30 points.

Proposer #1 receives 30 points (the max) because they submitted the lowest cost proposal.

Proposer #2 receives 26.7 points.

$$\frac{\$40,000 \times 30}{\$45,000}$$

Proposer #3 receives 25.0 points.

$$\frac{\$40,000 \times 30}{\$48,000}$$

PREFERENCE UNDER THE RFP

The Administration's objection is premised on the assumption that a Veteran's Preference in the RFP process may require the Municipality to spend more money for inferior work.

The sponsor's reject this premise.

PREFERENCE UNDER THE RFP

Code of the District of Columbia § 2–218.43.

(a) In evaluating bids or proposals, agencies shall award preferences as follows:

(1) In the case of proposals, points shall be granted as follows: . . .

(G) Two points for a veteran-owned business enterprise;

City Code of San Antonio, Texas § 2-645:

(a) When conducting a competitive solicitation procedure for a contract to which this policy applies, five (5) percent of the evaluation points (five (5) points, based upon a 100-point scale), shall be awarded to a respondent that is a VOSB...

Code of Metropolitan Dade County, Florida § 2-8.5.1. :

(3) A Local Certified Veteran Business Enterprise that submits a proposal in response to an RFP, RFQ, or an RFI that assigns weights to evaluation and selection criteria shall receive an additional five percent of the evaluation points scored on the technical portion of such bidder's proposal. ..

PREFERENCE UNDER THE RFP

A current working paper studying Veteran's preference programs implemented by the VA suggests that these programs:

- Led to significant entry of new vendors, including those who had previously failed to win contracts;
- Incentivized increased competition for awards; and
- Demonstrated no deterioration of contract execution performance by vendors or significant increased costs to the Department.

Source: Guo, Audrey and Carril, Rodrigo, The Impact of Preference Programs in Public Procurement: Evidence from Veteran Set-Asides. Available at SSRN: <https://ssrn.com/abstract=5303295> or <http://dx.doi.org/10.2139/ssrn.5303295>

PREFERENCE UNDER THE RFP

Veteran Owned Businesses:

- Tend to create high skill jobs within their community
- Tend to offer employees greater benefits than civilian counterparts.²
- Face significant barriers to entrepreneurship³
 - Lack of access to capital
 - Lack of financing

² Lotspeich-Yadao, M. & Carpenter, C. W., & Tolbert, C. M. (2025). The Propensity of Veteran-Owned Firms to Provide Employee Benefit Programs: A Test of Military Imprinting Versus Business Pragmatism. *Armed Forces and Society*. Advance online publication. <https://doi.org/10.1177/0095327X251363220>

³ Sankaran, Sid & Battisto, Jessica (2017). *FINANCING THEIR FUTURE: Veteran Entrepreneurs and Capital Access*, NY Fed. Res. Bank. <https://doi.org/10.1177/0095327X251363220>

VETERAN'S PREFERENCE

QUESTIONS?

