



MUNICIPALITY OF

ANCHORAGE

13.A.

[Ordinance No. AO 2026-40, 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. Assembly Members Goecker and Baldwin Day.](#)

- Veteran's Preference
 - Goals
 - Mechanics
- Reminder of how ITB process works
- Reminder of how RFP process works
- How a preference works in practice
- Comparison to existing Local Preference
- Proposed S-2 Version
 - Alaska Veterans (and State law)
 - New Businesses
 - Stacking
 - Joint Ventures
 - Application to RFPs
 - Reporting and Accountability
- Discussion



Veteran's Preference: Goals

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

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING
2 ANCHORAGE MUNICIPAL CODE SECTION 7.10.010 AND CHAPTER 7.20 TO
3 CREATE A VETERAN-OWNED BUSINESS PREFERENCE PROGRAM FOR
4 SPECIFIC CONTRACTING CATEGORIES.
5

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



Veteran's Preference: Mechanics

Chapter 7.20

METHODS OF SOURCE SELECTION

*** *** ***

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.

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.



Veteran's Preference: Mechanics

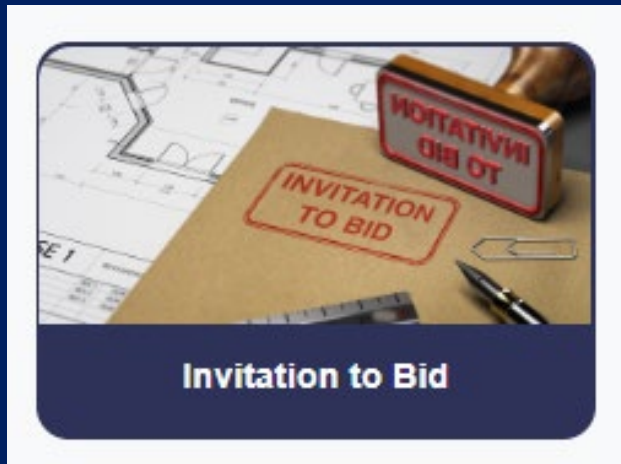
7.20.060 Competitive sealed proposals; negotiated procurement; requests for proposals (RFPs).

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.



Reminder: Invitations to Bid

- For commodities or non-professional services
- Cost > \$50,000
- Awards to the lowest, responsible, responsive bidder
- Win on price
- What the MOA ultimately gets shouldn't depend on identity winner



ITB: Deliver to Spec

Commodity

MUNICIPALITY OF ANCHORAGE
Sealed ITB No. 2025B016

Page 7

BID PROPOSAL

ITEM	QTY	UNIT	DESCRIPTION	UNIT PRICE (FOB DESTINATION)	TOTAL PRICE
1.	7000	TONS	Sand/Winter Aggregate - Delivery to Hiland Yard, 8501 VFW (Hesterberg) Road - (as specified)	\$ _____	\$ _____
2.	3000	TONS	Sand/Winter Aggregate - Delivery to Chugiak Yard, 19200 Kerbow Lane - (as specified)	\$ _____	\$ _____

SPECIFICATIONS

ITEM 1 & 2. SAND/WINTER AGGREGATE

Aggregate shall consist of crushed aggregate and shall be sound, durable, free of adherent coatings of clay, dirt, dust, or any other objectionable matter and shall have a percentage of wear not-to-exceed 50 after 500 revolutions, as determined by ASTM C-131.

U.S. STD. Sieve Size	Cumulative Percent Passing by Weight
3/8"	100
No. 4	70 – 100
No. 8	0 – 35
No. 16	0 – 10
No. 30	0 – 5
No. 200	0 – 2

MOISTURE CONTENT NOT TO EXCEED FOUR PERCENT (4%)



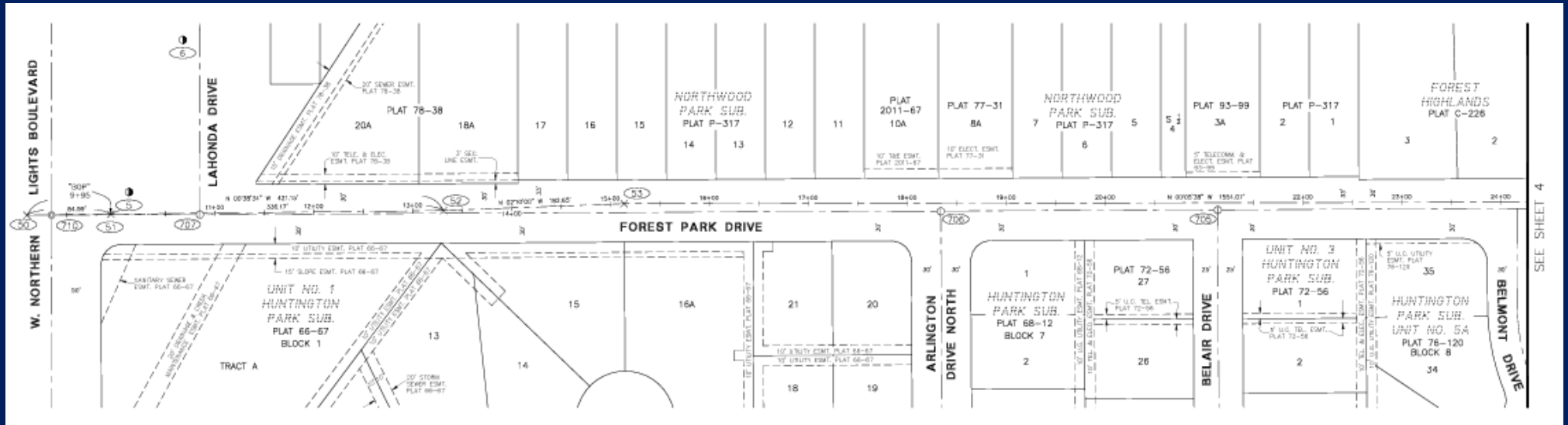
ITB: Build to Spec

Construction

SECTION 95.01 LOCATION AND SCOPE

All proposed Work is located within the Municipality of Anchorage corporate limits and is more particularly located on the design drawings. The Work included under this Contract consists of furnishing all labor, materials, equipment, supervision, and other facilities necessary to successfully complete the Work set forth in the Drawings and Specifications. The Work included under this Contract consists of, but is not limited to:

- Resurfacing of Forest Park Drive between W Northern Lights Boulevard and Hillcrest Drive.
- Partial replacement of associated sidewalk, curb and gutter, signing, striping, and ADA curb ramps.
- Installation of Neighborhood Greenway enhancements including additional signage, traffic markings, and speed humps.



ITB: Award to Lowest Capable, Responsive and Responsible Bidder

Commodities

SUBJECT: RECOMMENDATION OF AWARD OF MATERIALS CONTRACT TO NORTHERN GRAVEL & TRUCKING, LLC (NORTHERN GRAVEL), FOR THE MUNICIPALITY OF ANCHORAGE (MOA), MAINTENANCE & OPERATIONS DEPARTMENT (M&O) (NOT TO EXCEED (NTE) \$290,000.00).

At the request of M&O, the Purchasing Department issued an Invitation to Bid (ITB) 2025B016 to furnish winter aggregate to the Eagle River Street Maintenance division. The ITB was issued on March 5, 2025, and bids were opened on March 20, 2025. Two bids were received, with Northern Gravel providing the lowest responsive and responsible bid. As a result, M&O is requesting approval to award a contract to Northern Gravel with an NTE amount of \$290,000.00 for a period of one year, with three one-year options to renew at the same unit prices upon mutual consent of both parties and lawful appropriation of funds.

	Quantity	<u>Northern Gravel &</u>		<u>Western</u>	
		Price	Extension	Price	Extension
Bid Proposal					
Sand/Winter Aggregate	7,000.0000	\$29.00	\$203,000.00	\$48.00	\$336,000.00
Sand/Winter Aggregate	3,000.0000	\$29.00	\$87,000.00	\$48.00	\$144,000.00
Totals			\$290,000.00		\$480,000.00

Construction

SUBJECT: RECOMMENDATION OF AWARD TO SPERNAK & SON, LLC (SPERNAK) FOR FOREST PARK DRIVE SURFACE REHABILITATION, PROJECT NO. 23-07, FOR THE MUNICIPALITY OF ANCHORAGE (MOA), PROJECT MANAGEMENT & ENGINEERING DEPARTMENT (PM&E) (INVITATION TO BID 2025C019) (\$847,406.75).

At the request of PM&E, an Invitation to Bid was posted for the Forest Park Drive Surface Rehabilitation Project for the MOA's PM&E Department. The MOA opened seven bids at 2:00 P.M. on March 28, 2025, with Spernak being the lowest responsive and responsible bidder. The Contract will have a contract amount of \$847,406.75. Work under the Contract will be completed within 75 calendar days of issuing the Notice to Proceed.

BID INFORMATION

	Bidder	A	Total Bid
1	Spernak & Son	\$ 847,406.75	\$ 847,406.75
2	Southcentral Construction	\$ 875,404.50	\$ 875,404.50
3	YH Constructors	\$ 960,756.55	\$ 960,756.55
4	RHC	\$ 1,033,972.30	\$ 1,033,972.30
5	MASS Excavation	\$ 1,123,115.53	\$ 1,123,115.53
6	Granite Construction	\$ 1,230,416.00	\$ 1,230,416.00
7	QAP	\$ 1,324,041.00	\$ 1,324,041.00
	Engineer's Estimate	\$ 1,172,831.00	\$ 1,172,831.00



Reminder: Requests for Proposals

- For professional services or when parameters are not defined enough to use the ITB process
- Cost > \$50,000
- RFP package outlines numerical evaluation factors
- Awards to highest-scoring proposer (not price alone)
- What the MOA gets may depend on the identity of the contractor



Examples: Requests for Proposal

- Services & Professional Services

- + 2024P016 Provide Harry J. McDonald Center with Management Services
- + 2024P021 Provide Professional AE, Const. Management and Environmental Services
- + 2024P022 Provide AE Services for 4th Avenue Signals and Lighting Upgrade
- + 2024P040 Provide Shelter Food Services
- + 2024P041 Provide Congregate Shelter Services
- + 2024P042 Provide Non-Congregate Shelter Services
- + 2024P043 Wastewater Master Plan Update
- + 2026P031 Provide AWWU Expert Financial Services

- Construction

- + 2024P054 PAMP Cargo T1 Construction

- IT

RFP 2025P030
Provide Website Design, Migration, and Integratio...

- + 2024P028 Provide S4HANA Resources

- Legal

RFP 2025P061
Provide Bond Counsel Services



RFP: Bespoke Scoring Matrices

WRFP 2026P031 Provide AWWU Expert Financial Services

1.1 Purpose

The purpose of this document is to solicit proposals from qualified firms to prepare and provide expert financial services and testimony before the Regulatory Commission of Alaska (RCA) regarding capital structure, cost of equity, and a fair rate of return on equity (ROE) for Anchorage Water and Wastewater Utility (AWWU) such that AWWU will be able to recover in rates a reasonable rate of return.

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
<u>6. Cost</u>	<u>20 points</u>
Total Points Available	100 points



RFP: Bespoke Scoring Matrices

RFP 2025P030
Provide Website Design, Migration, and Integration Services (Muni.org)

5.1 Evaluation Criteria Weighting

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

1. Project Understanding, Approach, and Methodology	(4.4.1)	20 points
2. Firm Experience and Relevant Projects	(4.4.2)	15 points
3. Key Project Staff and Team Qualifications	(4.4.3)	10 points
4. Technical Solution and Innovation	(4.4.4)	20 points
5. Support, Training, and Maintenance Plan	(4.4.5)	10 points
6. <u>Cost Proposal</u>	(4.4.6)	20 points
7. Additional Services or Features	(4.4.7)	5 points
Total Points Available		100 points

RFP 2025P061
Provide Bond Counsel Services

- A. Minimum Requirements (Pass/Fail)
- B. Experience and Knowledge (50 points)
- C. Proposed Approach and Workplan (30 points)
- D. Schedule of Fees (20 points)

$$\frac{\text{Lowest cost proposal} \times \text{Maximum \# points for category}}{\text{Cost of proposal being scored}}$$
$$\frac{(\text{Lowest cost proposal}) \times (\text{Maximum \# points for category})}{(\text{Cost of proposal being scored})}$$



RFPs: Awards to Highest Scoring—“Best fit”

RFP 2025P064
RFP Merrill Field Airport Master Plan and ALP

EVALUATION CRITERIA		POINT RANGE
Proposals are to be evaluated on the following criteria		
4.4.1	Project Approach/Project Management Plan	35
4.4.2	Key Staff and Subconsultants	35
4.4.3	Alaska Airport Experience	25
4.4.4	Contractor's Location	5
SCORE		100

PROPOSERS				
	Jacobs	Woolpert	Mead & Hunt	Michael Baker
SCORE	175	226	171	211



Summary

ITB –

Any winner would deliver the exact same thing



Win on Price

RFP –

Proposers may deliver different things



Win on Best Fit



Bidding Preference: ITB

SUBJECT: RECOMMENDATION OF AWARD TO SPERNAK & SON, LLC (SPERNAK) FOR FOREST PARK DRIVE SURFACE REHABILITATION, PROJECT NO. 23-07, FOR THE MUNICIPALITY OF ANCHORAGE (MOA), PROJECT MANAGEMENT & ENGINEERING DEPARTMENT (PM&E) (INVITATION TO BID 2025C019) (\$847,406.75).

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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.

Imagine #2 Southcentral qualifies for a preference:

Bid Price = \$875,404.50

5% Preference = \$43,770.23

Effective Bid Price = \$831,634.28

Southcentral's Effective Bid Price

< Spernak & Son's

Southcentral wins

MOA Pays unadjusted bid price =
\$875,404.50

Cost to MOA of preference = \$43,770.34



Bidding Preference: RFP

RFP 2025P030

Provide Website Design, Migration, and Integration Services (Muni.org)

5.1 Evaluation Criteria Weighting

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

- | | | |
|---|---------|-----------|
| 1. Project Understanding, Approach, and Methodology | (4.4.1) | 20 points |
| 2. Firm Experience and Relevant Projects | (4.4.2) | 15 points |
| 3. Key Project Staff and Team Qualifications | (4.4.3) | 10 points |
| 4. Technical Solution and Innovation | (4.4.4) | 20 points |
| 5. Support, Training, and Maintenance Plan | (4.4.5) | 10 points |
| 6. Cost Proposal | (4.4.6) | 20 points |
| 7. Additional Services or Features | (4.4.7) | 5 points |

Total Points Available **100 points**

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.

(* Real RFP was won by Revize—example scenario if Revize hadn't bid)

Imagine **Website Vendor 2** qualifies:

Total Score = 360.01

5% Preference = 18.00

Effective Score = 378.01

Website Vendor 2's Effective Score

> Website Vendor 1's

Vendor 2 wins

MOA Gets a Different Website System

Vendor	TOTAL SCORE	RANK
Website Vendor 1	362.12	1
Website Vendor 2	360.01	2
Website Vendor 3	324.59	3
Website Vendor 3	316.27	4



Bidding Preference: Policy

ITB –

Award is not to the cheapest



Pay more to advance
policy goals

RFP –

Award is not to the best fit



Take second- or third-
best offering to
advance policy goals?



What We Have Now: Local for ITB Only

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. 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 preference is not prohibited by the funding source.

1. Sliding scale.

- a. A five percent preference in bid price not to exceed \$5,000.00 on purchases not exceeding \$166,667.00;
 - 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
 - c. A two percent preference in bid price not to exceed \$20,000.00 on purchases exceeding \$500,000.00.
2. Local bidder preference, as provided by this section, shall be specified in the invitation to bid documents.
 3. 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.



Adopted in 1995 – AO 95-147

\$1USD 1995 ~ \$2.19USD 2026

Proposed S-2 Changes

- Alaska Veterans (and State law)
- New Businesses
- Cost of Preference Stacking
- Joint Ventures
- Application to RFPs
- Reporting and Accountability



Proposed S-2 Changes: Alaska Veterans

- S-1 Version Awards Preferences to Veterans, regardless of whether they ever served in, or currently reside in Alaska



Proposed S-2 Changes: Alaska Veterans

- This is not how state law works
- AS 36.30.321(f) awards:
 - a 5% bid preference
 - Capped at \$5,000 (10 times less)
 - Only to
 - Veterans who reside in Alaska
 - Partnerships, LLCs, or Corporations that are majority Alaska-veteran owned



Proposed S-2 Changes: Alaska Veterans

AS 36.30.321(f):

(f) If a bidder or offeror qualifies as an Alaska bidder and is a qualifying entity, a five percent preference shall be applied to the price in the bid or proposal. The preference may not exceed \$5,000. In this subsection,

- (1) “Alaska veteran” means an individual who is both a resident of the state and a veteran;
- (2) “qualifying entity” means a
 - (A) sole proprietorship owned by an Alaska veteran;
 - (B) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
 - (C) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
 - (D) corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans;
- (3) “veteran” means an individual who
 - (A) served in the
 - (i) armed forces of the United States, including a reserve unit of the United States armed forces; or
 - (ii) Alaska Territorial Guard, the Alaska Army National Guard, the Alaska Air National Guard, or the Alaska Naval Militia; and
 - (B) was separated from service under a condition that was not dishonorable.



Proposed S-2 Changes: Alaska Veterans

The S-2 Version mirrors the “Alaska Veteran” approach, as better calibrated to the goals of:

- “encourag[ing] [veterans] to remain in Anchorage area” and
- “stimulat[ing] economic growth within the community”



Proposed S-2 Changes: Alaska Veterans

The S-2 Version also provides a different definition of “veteran” to include:

- Servicemembers with a “general (under honorable conditions) discharge,” and
- Better match to Title 3 (hiring preference)



Proposed S-2 Changes: New Businesses

- Current version does not phase out after preference has achieved its aim and Veteran-owned business is established
- S-2 version targets new entries as better calibrated to goal of getting new businesses set up and established
- Lifetime \$500k cap



Proposed S-2 Changes: New Businesses

- A significant challenge with any government incentive program is paying for outcomes that would have occurred anyway
- Example: the MOA does not know which, if any of its “usual” contractors are veteran-owned; should it apply to any of the following?

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Proposed S-2 Changes: Cost of Preference & Stacking

- Current version takes local and veteran owned preferences from a max of \$20,000 (local) + \$0 (veteran) to \$50,000 each, and allows them to stack
- S-2 version would apply the local sliding scale to Alaska Veterans (still much larger than state preference)
- Provide that if bidders are both Alaska Veterans and in Anchorage, they get one and a half preferences



Proposed S-2 Changes: Joint Ventures

- S-1 Version allows business associations to claim a fractional percentage of the preference, in relationship to the ownership interest of veterans
- S-1 Version does not address how preferences should be applied if ownership interests change
- S-2 Version requires majority veteran ownership, and requires majority veteran ownership to be in place at bid award, when a contract is amended, and when any options are exercised



Proposed S-2 Changes: Joint Ventures

- S-1 requirement that meeting the definition of an eligible joint venture “for the duration of the term of the contract” seems impossible to administer
 - Contract price cannot change midstream
 - Contract cannot (or should not) be canceled midstream



Proposed S-2 Changes: Focus on ITBs

- S-2 version mirrors the local-preference approach and limits the preference to ITBs, and not to RFPs
- Alternative approach could be to target an RFP preference only to quantitative scoring factors related to cost



Proposed S-2 Changes: Reporting & Accountability

- How often will a veteran preference be used?
- What will it cost the MOA?
- How will we assess if this “is working”?

- The S-2 version requires **Assembly documents** to note:
 - If the preference was applied and, if so,
 - The cost to the MOA of applying the preference
- The S-2 version also requires an **annual report**:
 - # of preferences applied
 - Identity of contractors receiving preference, and
 - Total annual cost to the MOA





MUNICIPALITY OF

ANCHORAGE