

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Chief Administrative Officer
For reading: _____

ANCHORAGE, ALASKA
AO No. 2025-_____

1 **AN OMNIBUS ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY**
2 **AMENDING ANCHORAGE MUNICIPAL CODE TITLE 7, *PURCHASING AND***
3 ***CONTRACTS AND PROFESSIONAL SERVICES* TO UPDATE DEFINITIONS,**
4 **CLARIFY INFORMATION TO BE REPORTED TO THE ASSEMBLY WHEN**
5 **SEEKING REQUIRED APPROVALS AND SUBSEQUENT TO CONTRACT**
6 **AWARDS, UPDATE COMPETITIVE-SOLICITATION AND ASSEMBLY-**
7 **APPROVAL THRESHOLDS AND REQUIREMENTS, IMPROVE READABILITY,**
8 **AND ADOPT PROCEDURES RELATED TO GRANTS; AND REPEALING**
9 **ANCHORAGE MUNICIPAL CODE OF REGULATIONS 7.70 *REGULATIONS***
10 ***PERTAINING TO GRANT PROPOSALS.***
11

12
13 **WHEREAS**, Anchorage Municipal Charter section 13.09 provides “[t]he assembly
14 by ordinance shall provide for competitive bidding for goods and services and shall
15 make provision for any exceptions”;

16
17 **WHEREAS**, the Assembly has implemented Charter section 13.09 by adopting
18 Anchorage Municipal Code title 7 *Purchasing and Contracts and Professional*
19 *Services*;

20
21 **WHEREAS**, title 7 was first adopted in 1979 and can be updated, modernized, and
22 made more user friendly;

23
24 **WHEREAS**, title 7 requires certain contracts and grants to be submitted to the
25 Assembly for approval, and could more clearly specify the information that the
26 Assembly wishes to receive in order to make informed decisions;

27
28 **WHEREAS**, title 7 contains separate rules for transactions resulting from
29 (1) Invitations to Bid (ITBs); (2) Requests for Proposals (RFPs); (3) “other authorized
30 procedures” (including inter-government agreements, cooperative purchases, and
31 sole-source procurements); (4) Open-Market Procedures; and (5) Grants;

32
33 **WHEREAS**, title 7 was amended in 2001 by AO 2001-122(S-1) to require most
34 purchases in excess of \$50,000 to be accomplished by ITB or RFP, and to be
35 reported to the Assembly;

36
37 **WHEREAS**, title 7 was amended in 2001 (also by AO 2001-122(S-1)) to require
38 prior Assembly approval of sole source contracts over \$30,000, and prior Assembly
39 approval of grants and contracts over \$50,000 awarded through “other authorized
40 procedures”;

41
42 **WHEREAS**, title 7 was amended in 2007 by AO 2007-22 to require only prior
43 Assembly approval of contracts procured by ITB or RFP that exceed \$500,000;

1
2 **WHEREAS**, title 7’s approval limits do not automatically adjust for inflation and have
3 not been adjusted for inflation since last being increased in 2001 and 2007;

4
5 **WHEREAS**, in March 2023, the Assembly lowered the prior Assembly approval
6 thresholds for contracts awarded after an ITB or RFP to \$150,000;

7
8 **WHEREAS**, since March 2023, the Administration and Purchasing Department
9 have thoroughly reviewed the Municipality’s procurement practices, issued new
10 internal guidance, and prepared process guides for use by all departments;

11
12 **WHEREAS**, limits triggering prior Assembly approval can now be beneficially
13 adjusted to promote efficiency, without meaningfully reducing oversight;

14
15 **WHEREAS**, title 7 can be generally revised to be made more reader friendly;

16
17 **WHEREAS**, this ordinance will not have significant economic effects; now,
18 therefore,

19
20 **THE ANCHORAGE ASSEMBLY ORDAINS:**

21
22 **Section 1.** Anchorage Municipal Code title 7 is hereby amended to re-titled
23 *Purchasing—Procurement, Contracts, Grants, and Surplus Property*.

24
25 **Section 2.** Anchorage Municipal Code section 7.10.010, Definitions, is hereby
26 amended to read as follows (*the remainder of the section is not affected and*
27 *therefore not set out*):

28
29 **7.10.010 Definitions.**

30
31 The following words, terms and phrases, when used in this title, shall have
32 the meanings ascribed to them in this section, except where the context
33 clearly indicates a different meaning:

34
35 *** **

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

39
40 *Competitive Solicitation Threshold* means the dollar value, as
41 established in 7.20.010, of a procurement above which requires a formal
42 Competitive Solicitation, including repetitive acquisitions anticipated for the
43 same item by a single Department.

44
45 *Compliance evaluation* means any one or combination of actions the
46 contract compliance officer may take to examine a contractor or
47 subcontractor's compliance with one or more requirements of Anchorage
48 Municipal Code 7.50 or 7.60.

49
50 *** **

1
2 *Goal* means an expressed objective, usually a percentage of the dollar
3 value of an award or a requirement to take affirmative action, which
4 contractors or recipients are required to make good faith efforts to achieve;
5 or the end results toward which good faith efforts are required to be directed.
6

7 *Grant* means [THE FURNISHING BY THE MUNICIPALITY OF
8 ASSISTANCE, WHETHER FINANCIAL OR OTHERWISE, TO IMPLEMENT
9 A PROGRAM AUTHORIZED BY LAW] a financial award given to a not-for-
10 profit organization to support a specific purpose for the benefit and welfare of
11 the public. The furnishing by the municipality of anything of value in exchange
12 for supplies, services, professional services or construction required to
13 perform a function of the municipality, or for services, professional services
14 or construction over which the municipality will exercise substantial control or
15 oversight as to the character and quality of the services, professional services
16 or construction is a contract and not a grant.
17

18 *Joint venture* means a commercial enterprise undertaken by more
19 than one business enterprise jointly, limited in its scope and duration to one
20 project, for the purpose of each enterprise's profiting thereby.
21

22 *Mayor* means the mayor of Anchorage or the mayor's[HIS] designee.
23

24 *Ownership* for purposes of Title 7.60 of the Anchorage Municipal
25 Code, means possessing complete dominion, title, or proprietary right to a
26 thing, the right to transmit it to others, and the right to its use and benefit.
27

28 *** *** ***

29 *Professional service* means those advisory, consulting, architectural,
30 engineering, research or developmental services which involve the exercise
31 of discretion and independent judgment together with an advanced or
32 specialized knowledge, expertise or training gained by formal studies or
33 experience.
34

35 *Purchasing website* means any publicly accessible online platform or
36 website that the municipality designates and utilizes for the publishing,
37 posting, management, and dissemination of procurement-related
38 information, including but not limited to solicitations, certifications,
39 disclosures, award determinations, and other relevant purchasing
40 documentation.
41

42 *Services* means those services of a nonprofessional nature which are
43 described within contract specifications and which are needed or desired by
44 the municipality.
45

46 *** *** ***
47

48 (AO No. No. 79-203, 1-1-80; AO No. 2001-146, §§ 2—19, 8-28-01; AO
49 No. 2017-143, § 1, 11-7-17; AO 2024-36(S), 4-23-24)
50

1 Cross reference(s)—Definitions and rules of construction generally, §
2 1.05.020.

3
4 **Section 3.** Anchorage Municipal Code section 7.15.030, Availability of funds, is
5 hereby amended to read as follows (*the remainder of the section is not affected and*
6 *therefore not set out*):

7
8 **7.15.030 Availability of funds.**

9
10 No contract for supplies, services or construction may be approved or
11 executed unless the chief fiscal officer has certified, in accordance with
12 section 6.30.050, that funds are available for the municipality's performance
13 under the contract. In the case of contracts not requiring Assembly approval,
14 the requirement of this section shall be deemed satisfied where the
15 municipality's financial system of record shows that unencumbered funds in
16 an amount sufficient to cover the municipality's obligations are available in
17 account, or accounts, from which the contract is to be paid.

18
19 (AO No. 79-203, 1-1-80)

20
21 **Section 4.** Anchorage Municipal Code section 7.15.040, Assembly approval of
22 contracts, is hereby amended to read as follows (*the remainder of the section is not*
23 *affected and therefore not set out*):

24
25 **7.15.040 Assembly approval of contracts and grants.**

26
27 A. Assembly approval of contracts. In addition to a contract described in
28 subsection F., no contract for supplies, services, professional services
29 or construction whereby the municipality is obligated to pay more than
30 \$500,000.00[150,000.00] pursuant to a contract awarded through
31 competitive procedures[,] (which are described in sections 7.20.020
32 through 7.20.040 (bids) and 7.20.060 (proposals))[,] or more than
33 \$500,000 pursuant to a contract awarded pursuant to subsection
34 7.20.080A.1. (intergovernmental, utility, and post-secondary
35 educational agreements) or 7.20.080A.2. (cooperative purchases;
36 piggybacking), or more than \$250,000 pursuant to a contract for legal
37 services awarded pursuant to 7.20.100A., or more than \$50,000.00
38 pursuant to a contract awarded through other authorized procedures,
39 including any amendment pursuant to awards under subsection
40 7.20.080A.5.,[OR MORE THAN \$30,000 INCLUDING ANY
41 AMENDMENT PURSUANT TO CONTRACTS AWARDED UNDER
42 SECTION 7.20.080A.5, OR MORE THAN \$50,000.00 PURSUANT
43 TO CONTRACTS AWARDED THROUGH OTHER AUTHORIZED
44 PROCEDURES,] may be executed unless the assembly has
45 approved a memorandum setting forth the essential terms of the
46 contract and information required by this section.

47 1. Essential Terms. To the extent applicable for particular
48 contracts, the following essential terms shall be set forth:

49 a.[1.] The identity of the contractor;

50 b.[2.] The contract price;

1 c.[3.] The nature and quantity of the performance that the
2 municipality shall receive under the contract;

3 d.[4.] The using agency; and

4 e.[5.] The time for performance under the contract.

5 2. Required information. To the extent applicable for particular
6 contacts, the following additional items shall be set forth:

7 a. ITBs. For contracts awarded pursuant to an invitation to
8 bid (ITB), the requesting department's recommendation
9 of award, the name of all bidders, whether any bidders
10 were deemed non-responsive or non-responsible, and
11 the price submitted by each bidder.

12 b. RFPs. For contracts awarded pursuant to a request for
13 proposals (RFP), the requesting department's
14 recommendation of award, the name of all bidders, and
15 whether any bidders were deemed non-responsive or
16 non-responsible.

17 c. Cooperative purchases. For contracts issued pursuant
18 to any Federal, State, or local government contract
19 where the municipality is an authorized user, or where
20 the resulting contractor agrees to extend the same
21 terms, conditions, and pricing to the municipality as
22 those awarded under the original contract, details
23 regarding the original contract, and confirmation that it
24 was awarded pursuant to a formally advertised
25 solicitation.

26 d. Purchases recommended by contractor. For contracts
27 pursuant to a formal recommendation by a municipal
28 contractor specifically tasked with researching and/or
29 reviewing the marketplace for qualified products or
30 services, the identity of the recommending contractor,
31 and the means by which the contractor was retained.

32 e. Sole source. For contracts where the purchasing officer
33 determines in writing that the municipality's
34 requirements reasonably limit the source for the
35 supplies, services, professional service or construction
36 to one person, confirmation of the purchasing officer's
37 determination.

38
39 B. Assembly reporting.

40 1. Procurements Not Requiring Assembly Approval AIM. All
41 contracts awarded through competitive procedures [UNDER
42 THIS SUBSECTION A.], or awarded pursuant to subsection
43 7.20.080A.1., that are more than \$50,000.00 and up to
44 \$500,000.00, [LESS THAN \$150,000] or procured by direct
45 negotiation pursuant to 7.20.100A. that are more than \$50,000
46 and up to \$250,000, shall be reported to the assembly in an
47 informational memorandum once each month and no later than
48 45 days after award. The report shall contain the information
49 described in subsection[S] 1[THROUGH 5.] of [THIS]
50 subsection A.

- 1 2. Sole Source and Single Source AIM. All contracts awarded
 2 pursuant to subsections 7.20.080A.5. (sole source)
 3 and 7.20.080A.6. (single source) shall be reported to the
 4 assembly in an informational memorandum once each month,
 5 and no later than 45 days after award.
- 6 3. Non-encumbering contracts; purchase order limits and annual
 7 reporting. For non-encumbering contracts approved by the
 8 assembly under subsection A., the following requirements shall
 9 also apply.
- 10 a. Imputed value for purposes of Assembly approval. For
 11 purposes of determining whether the contract must
 12 receive prior approval of the assembly, the maximum
 13 amount of purchases orders that could be issued under
 14 the contract for its initial term and all extensions shall be
 15 considered, for purposes of subsection A. only, the
 16 amount that the municipality is "obligated to pay."
- 17 b. PO limit. The magnitude of the maximum allowable
 18 purchasing order that can be issued under the contract
 19 shall be deemed an essential term of the contract for
 20 purposes of subsection A., and reported to, and
 21 approved by the assembly.
- 22 c. Annual Reporting. The department shall annually report
 23 to assembly by informational memorandum the total
 24 amount of funds expended under the contract where
 25 such funds were expended by more than a single
 26 department.

27

28 C[B]. Awards to more than one bidder pursuant to a single ITB. If contracts
 29 are awarded to more than one bidder pursuant to an invitation for bids,
 30 contracts with different bidders shall be considered separately for
 31 purposes of determining the application of subsection A. of this
 32 section. If any contract to be awarded under a given bid is subject to
 33 assembly approval, the award of other contracts pursuant to the same
 34 invitation for bids may, at the discretion of the purchasing officer, be
 35 delayed pending assembly approval.

36

37 D[C]. Assembly approval of grants. No grant for more than \$50,000.00 may
 38 be issued unless the assembly has approved a memorandum setting
 39 forth:

40 1. The identity of the grantee;
 41 2. The grant amount;
 42 3. The purpose to which grant funds are to be devoted;
 43 4. The nature and quantity of the work that will be performed, or
 44 that the public will receive pursuant to the grant; and
 45 5.[4.] The agency charged with administration of the grant.

46

47 E[D]. Prior approval and review required. No contractor may provide
 48 supplies, services, professional services, or construction
 49 [PROVIDED]to the municipality before the applicable requirements of
 50 this section are first satisfied. No contract for construction which

exceeds \$3,500,000.00 may be executed unless it has first been reviewed for a community workforce agreement as required by section 7.15.045.

F[E]. Lobbying contracts. Regardless of the amount involved, all contracts for professional lobbying services must be approved in advance by the assembly.

G[F]. CM/GC and compensation-from-revenue-generated-from-use-of-municipal-property contracts. Notwithstanding the dollar amount thresholds for procurement methods or contract types stated in subsection A., the following types of contracts are subject to the requirements of assembly approval prior to execution, in addition to reporting requirements, as stated herein:

1. Construction manager/general contractor (CM/GC) contracts.

*** **

b. Award procedure and public process. Awards for the first phase and all subsequent phases shall be approved by the assembly before execution of the contract or amendment for each phase. The memorandum for the assembly's approval of the first phase shall include an estimated range of the construction costs by municipal officials.

i. The purchasing officer [DIRECTOR] shall publish notice of the construction manager's proposed costs for the construction work at least seven days before a decision to accept or reject it. The date of publication and copy of the notice shall be included with the memorandum for the assembly's approval of the amendment accepting the construction manager's proposed cost or of a contract if those are rejected and the construction work is procured with a new solicitation.

*** **

H. Fragmentation prohibited. Contracts for supplies, materials, equipment or services that would customarily be acquired under a single contract shall not be divided for the primary purpose of avoiding or circumventing the requirements of this section.

(AO No. 79-203; AO No. 82-168; AO No. 93-217, § 1, 2-26-94; AO No. 94-123(S), § 1, 8-25-94; AO No. 2001-122(S-1), § 2, 7-24-01; AO No. 2007-22, § 1, 2-27-07; AO No. 2018-74, § 1, 9-25-18; AO No. 2015-39, § 1, 5-14-15; AO No. 2019-24, § 3, 4-1-19; AO No. 2023-23(S), § 1, 3-21-23; AO No. 2023-108, § 1, 11-21-23)

Editor's note(s)—Section 4 of AO No. 2023-23(S) states: "This ordinance shall be effective March 21, 2023 or immediately upon the repeal or expiration of Emergency Ordinance No. 2023-2, As Amended, whichever occurs first.

Cross reference(s)—Assembly, ch. 2.20.

1
2 **Section 5.** Anchorage Municipal Code section 7.15.043, Assembly approval of
3 payment for supplies, services, professional services or construction provided or
4 performed without an assembly approval required by section 7.15.040, is hereby
5 amended to read as follows (*the remainder of the section is not affected and*
6 *therefore not set out*):

7
8 **7.15.043 Assembly approval of payment for supplies, services,**
9 **professional services or construction provided or**
10 **performed without an assembly approval required by**
11 **section 7.15.040, or section 7.15.080.**

12
13 Where supplies, services, professional services or construction are provided
14 to or performed for the municipality without an assembly approval required
15 by section 7.15.040 (assembly approval of contracts) or section 7.15.080
16 (assembly approval of amendments), no payment for the supplies, services,
17 professional services or construction, including a payment made pursuant to
18 or in connection with a settlement of claims related to a contractor's provision
19 of the supplies, or performance of services, professional services or
20 construction, may be made by the municipality, unless the payment is
21 approved by majority vote of the assembly.

22
23 (AO No. 2022-105, § 1, 12-20-22)

24
25 **Section 6.** Anchorage Municipal Code section 7.15.050, Execution of contracts,
26 is hereby amended to read as follows (*the remainder of the section is not affected*
27 *and therefore not set out*):

28
29 **7.15.050 Execution of contracts.**

30
31 All municipal contracts for supplies, services, professional services
32 and construction, and any amendments thereto, shall be signed by the mayor
33 or the mayor's[HIS] designee, except that those contracts pursuant to section
34 4.06 of the Charter shall be signed by the chair[MAN] of the assembly after
35 the chair[MAN] of the assembly confirms with the purchasing officer that the
36 contract complies with this title.

37
38 (AO No. 79-203, 1-1-80; AO No. 90-30(S-2))

39
40 Charter reference(s)—Professional advisors and staff contracts by
41 assembly, §4.06.

42 Cross reference(s)—Mayor's powers and duties, § 3.20.020.

43
44 **Section 7.** Anchorage Municipal Code section 7.15.060, Contract administration,
45 is hereby amended to read as follows (*the remainder of the section is not affected*
46 *and therefore not set out*):

47
48 **7.15.060 Contract administration.**

49

- 1 A. The using agency shall administer all contracts for supplies, services
2 or professional services except as otherwise designated by the mayor.
3
- 4 B. The director of the public works department, or the director's[HIS]
5 designee, shall administer all construction contracts, except as
6 otherwise designated by the mayor.
7

8 (AO No. 79-203, 1-1-80)
9

10 **Section 8.** Anchorage Municipal Code section 7.15.070, Contract amendments –
11 Permitted amendments, is hereby amended to add the following subsections:
12

13 **7.15.070 Contract amendments – Permitted amendments.**
14

15 Contract amendments shall not be used to avoid procurement by the
16 competitive procedures established under this title. Except for emergency or
17 proprietary procurements authorized under sections 7.20.080 and 7.20.090,
18 contracts for supplies, services, professional services and construction may
19 be amended by the mayor or the municipal manager only for the following
20 reasons and those contracts pursuant to section 4.06 of the Charter by the
21 chair[MAN] of the assembly may also be amended only for the following
22 reasons:
23

24 *** **

25 G. *Price adjustments for non-controllable supply-price changes; limit to*
26 *20%, less than next bidder.*
27

28 1. *Eligible contracts. Price adjustments, increases or decreases,*
29 *may be made under the following circumstances:*

- 30 a. *For supply contracts;*
31 b. *For service contracts where a consumable supply is a*
32 *significant component of the cost for the service.*
33

34 2. *Authorized changes. Price adjustments resulting in contract*
35 *increases may, at the purchasing officer's election, be*
36 *approved only upon satisfactory evidence that all of the*
37 *following conditions exist:*
38

39 a. *Uncontrollable cost at manufacturer's level. The*
40 *increase is a result of the increased cost at the*
41 *manufacturer's level and not costs under the*
42 *contractor's control, such as tariffs, natural disasters,*
43 *and supply chain disruptions.*
44

45 b. *No profit-margin increase. The increase will not produce*
46 *a higher profit margin for the contractor than that on the*
47 *original contract.*
48

49 c. *Identifiable items. The increase affects only the item(s)*
50 *that are clearly identified by the contractor.*

1
2
3 3. Form of evidence. Evidence sufficient to satisfy subsection
4 G.2. may include a certified invoice from the manufacturer or
5 other official written documentation. The contractor must be
6 able to show the difference between the prior year's price and
7 the current difference in the price being requested.

8 4. Limits. Price adjustments authorized by this subsection are
9 subject to the following limits.

10
11 a. Limit to next bid. For contracts initiated through
12 competitive sealed bidding, such price adjustments shall
13 not be permissible if the increased price(s) increase the
14 contract value greater than had been offered by other
15 bidders during the solicitation process that resulted in
16 such contract.

17
18 b. 270-day limit. Price adjustments shall not be permissible
19 prior to 270 days after contract execution.

20
21 c. 20% cap. Price adjustments shall be limited to a
22 maximum change in contract value not to exceed 20%.

23
24 d. Limit on small adjustments. Price adjustments will not be
25 considered for increases less than 10% on any particular
26 item.

27
28 e. Labor costs. Except as provided in subsection H., price
29 adjustments will not be applied to labor costs.

30
31 5. Decreases. If, during the term of a contract, the market price of
32 goods or services significantly decreases, the parties may
33 mutually agree to adjust the contract price to reflect such
34 conditions, pursuant to the terms and conditions of the contract.

35
36 H. Fee-schedule adjustments not affecting authorized amounts. For
37 contracts that contain fee schedules, the purchasing officer may allow
38 reasonable changes to fee schedules after at least one year beyond
39 contract execution, upon request, if the purchasing officer determines
40 that the requested adjustment is reasonable and customary, will not
41 necessitate a change order or amendment, and is not
42 uncompetitive. Such adjusted fee schedules shall be incorporated
43 into the contract through an amendment.

44
45 (AO No. 79-203, 1-1-80; AO No. 90-30(S-2))

46
47 **Section 9.** Anchorage Municipal Code section 7.15.080, Contract amendments –
48 Assembly approval, is hereby amended to read as follows (*the remainder of the*
49 *section is not affected and therefore not set out*):

1
2 **7.15.080 Contract amendments – Assembly approval.**
3

4 A. Limits on amendments and change orders. No contract amendment
5 or change order that will cause the total value of the contract to exceed
6 the limits specified below may be executed unless the assembly has
7 approved a memorandum setting forth the essential terms of the
8 amendment or change order request:

- 9 1. For contracts with an original award value of \$50,000.00 or less
10 [EXCLUDING CONTRACTS AWARDED UNDER SECTION
11 7.20.080A.5.]; a contract amendment or change order, or
12 cumulative contract amendments or change orders, that will
13 cause the total contract amount, as amended, to exceed
14 \$50,000.00 or 125 percent of the original contract award,
15 whichever is greater. [FOR CONTRACTS AWARDED UNDER
16 SECTION 7.20.080A.5; ANY CONTRACT AMENDMENT OR
17 CHANGE ORDER, OR CUMULATIVE OR SUCCESSIVE
18 CONTRACT AMENDMENTS OR CHANGE ORDERS, THAT
19 WILL CAUSE THE TOTAL CONTRACT AMOUNT TO
20 EXCEED \$30,000.00, OR CONTINUE TO EXCEED
21 \$30,000.00, AS AMENDED.]
22 2. For contracts with an original award value greater than
23 \$50,000.00 up to \$250,000.00[150,000.00]; a contract
24 amendment or change order, or cumulative contract
25 amendments or change orders, that will cause the total contract
26 amount, as amended, to exceed 125 percent of the original
27 contract award.
28 3. For contracts with an original award value greater than
29 \$250,000.00 [150,000.00] up to \$2,500,000[1,500,000.00]; a
30 contract amendment or change order, or cumulative contract
31 amendments or change orders, that will cause the total contract
32 amount, as amended, to exceed 125[120] percent of the
33 original contract award, or to increase the original contract by
34 \$250,000.00[150,000.00], whichever is less.
35 4. For contracts with an original award value greater than
36 \$2,500,000[1,500,000.00]; the department shall recommend,
37 with concurrence of the purchasing officer, the maximum
38 contract amendment or change order value that can be
39 executed without assembly approval. This value shall be
40 established and approved concurrently with the contract award
41 under section 7.15.040. If a maximum contract amendment or
42 change order value that can be executed without assembly
43 approval is not recommended concurrently with the contract
44 award, the maximum value shall be established at 10% of the
45 original award value.
46

47 B. Options. For contracts that contain one or more optional contract
48 periods, and where the municipality desires to exercise the option, a
49 follow-on period may be executed in an amount consistent with the
50 original contract terms, notwithstanding subsection A. herein. The

1 individual option period is considered a separate action and not an
 2 amendment or change order. However, a contract amendment or
 3 change order, or cumulative contract amendments or change orders,
 4 issued within the original or any optional contract period, shall be
 5 subject to subsection A. herein. If the original contract period or any
 6 optional period is otherwise subject to section 7.15.040, such approval
 7 shall be received prior to contract execution.
 8

9 C. Amendments and change-order reporting. For construction contracts
 10 where the original contract value is greater than \$500,000.00, the
 11 administering agency or department shall submit informational
 12 memoranda to the assembly that, at a minimum, lists the contractor
 13 name and project identity, the original contract amount, and all
 14 contract amendments or change orders processed against the
 15 contract. Informational memoranda shall be submitted no later than 60
 16 days after issuing the final pay estimate.
 17

18 D. Prior compliance required. No contractor may provide supplies,
 19 services, professional services, or construction provided to the
 20 municipality before the applicable requirements of this section are first
 21 satisfied.
 22

23 E. Amendments beyond memorandum submitted to assembly. No
 24 contract amendments may be authorized without assembly approval
 25 that allow for supplies, services, professional services or construction
 26 not contemplated within the details of the memorandum previously
 27 approved by the assembly.
 28

29 (AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 2001-122(S-1), § 3, 7-24-01;
 30 AO No. 2015-39, § 2, 5-14-15; AO No. 2023-23(S), § 2, 3-21-23)
 31

32 Editor's note(s)—Section 4 of AO No. 2023-23(S) states: "This ordinance shall
 33 be effective March 21, 2023 or immediately upon the repeal or expiration of
 34 Emergency Ordinance No. 2023-2, As Amended, whichever occurs first.
 35

36 **Section 10.** Anchorage Municipal Code section 7.20.010, Competitive sealed
 37 bidding required; exceptions, is hereby amended to read as follows:
 38

39 **7.20.010 Competitive sealed bidding required; exceptions.**
 40

41 Unless otherwise authorized under this chapter or other provision of
 42 law, all municipal contracts for supplies, services and construction shall be
 43 awarded by competitive sealed bidding. Purchases anticipated to be
 44 repetitive and likely to accumulate to more than the Competitive Solicitation
 45 Threshold within the calendar year are subject to formal competitive
 46 solicitation. If purchases unexpectedly accumulate to a cost greater than the
 47 Competitive Solicitation Threshold, such purchases shall be considered
 48 compliant to the Threshold and the purchasing officer may conduct a
 49 Competitive Solicitation if practicable for remaining purchases.
 50

1 The Competitive Solicitation Threshold is established for all purchases
2 of \$50,000.00 or more.

3
4 (AO No. 79-203, 1-1-80)

5
6 **Section 11.** Anchorage Municipal Code section 7.20.020, Solicitation and
7 acceptance of bids, is hereby amended to read as follows (*the remainder of the*
8 *section is not affected and therefore not set out*):

9
10 **7.20.020 Solicitation and acceptance of bids; invitations to bid**
11 **(ITBs).**

12
13 A. Invitations to Bid (ITBs). The purchasing officer shall initiate
14 competitive sealed bidding by issuing an invitation for bids. The
15 invitation for bids shall state, or incorporate by reference, all
16 specifications and contractual terms and conditions applicable to the
17 procurement.

18
19 B. Public Notice. Public notice of the invitation for bids shall be published
20 at least 14 days before the last day on which bids will be accepted.
21 Such notice shall also be posted at the municipality's purchasing
22 office. The contents of the notice shall be sufficient to inform interested
23 readers of the general nature of the supplies, services or construction
24 being procured and the procedure for submitting a bid. The purchasing
25 officer shall mail or otherwise deliver notices to a sufficient number of
26 prospective bidders from a current bidders' list maintained by the
27 purchasing office to afford equitable opportunity for competition. The
28 failure of any person to receive notice under this subsection shall not
29 affect the validity of any award or contract.

30
31 C. Pre-bid conferences; addenda. The purchasing officer may provide for
32 a pre-bid conference to be held at least seven days before the last day
33 for submitting bids. At the pre-bid conference or at other times deemed
34 appropriate by the purchasing officer, the terms of an invitation for bids
35 may be modified or interpreted only by written addenda issued by the
36 purchasing officer. Addenda to bids shall be sent to each recipient of
37 the original bid documents. Only a bid acknowledging receipt of all
38 addenda may be considered responsive, unless the addendum, in the
39 opinion of the purchasing officer, would have no material effect on the
40 terms of the bid. If an addendum is issued less than five working days
41 before the last day on which bids are to be accepted, the time for
42 accepting bids shall be extended to at least five working days after the
43 date on which the addendum was sent.

44
45 D. Proper and timely submission of bids required; electronic submission.
46 The purchasing officer shall require bids to be submitted by Electronic
47 Submission or by means of sealed envelopes. For any single invitation
48 to bid, the purchasing officer may accept bids only by electronic
49 submission, only by means of sealed envelopes, or by either method.
50 If the purchasing officer accepts bids by means of sealed envelopes,

1 [SEALED] bids shall be designated as such and shall be submitted in
 2 the manner required and no later than the time specified in the
 3 invitation for bids. Bids not properly submitted either to the electronic
 4 bidding system or, in the case of sealed envelopes, at the [PROPER]
 5 place specified in the invitation for bids, and[OR] within the time
 6 specified in the invitation for bids shall not be opened or considered.

7
 8 E. *Bid opening.* Bids shall be opened publicly in the presence of one or
 9 more witnesses at the time and place designated in the invitation for
 10 bids. Any bidder may review bids immediately after opening and prior
 11 to tabulation or summary. The purchasing officer shall tabulate the
 12 amount of each bid and shall record such other information as may be
 13 necessary or desirable for evaluation together with the name of each
 14 bidder. The tabulation shall be open to public inspection, and a copy
 15 of the tabulation shall be furnished to each bidder.

16
 17 F. *Bids must conform to ITB.* Bids shall be accepted unconditionally
 18 without alteration or correction. For purposes of determining the low
 19 bidder and the responsiveness of bids, no criteria except those set
 20 forth in the invitation for bids, including all specifications and addenda,
 21 may be used. The purchasing officer may use their discretion to
 22 interpret the intent of a bidder's response.

23
 24 G. *Small businesses.* To the extent possible, the purchasing officer shall
 25 take appropriate steps to emphasize opportunities for small
 26 businesses in the solicitation process.

27
 28 (AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 2009-134, § 1, 1-12-10)
 29 State law reference(s)—Public records, AS 40.25.110 et seq.

30
 31 **Section 12.** Anchorage Municipal Code section 7.20.030, Award to be made only
 32 to responsible bidder, is hereby amended to read as follows (*the remainder of the*
 33 *section is not affected and therefore not set out*):

34
 35 **7.20.030 Award to be made only to responsible bidder or proposer.**

36
 37 A. A contract award under this chapter shall be made only to a
 38 responsible bidder or proposer. The purchasing officer shall determine
 39 whether a bidder or proposer is responsible on the basis of the
 40 following criteria:

- 41 1. The skill and experience demonstrated by the bidder or
 42 proposer in performing contracts of a similar nature.
- 43 2. The bidder or proposer's record of honesty and integrity.
- 44 3. The bidder or proposer's capacity to perform in terms of
 45 facilities, equipment, personnel and financing.
- 46 4. The bidder or proposer's past performance under municipal,
 47 state, or federal contracts. If the bidder or proposer has failed
 48 in any material way to perform its obligations under any contract
 49 with a government entity, the bidder or proposer may be
 50 deemed a nonresponsible bidder or proposer.

- 1 5. The bidder or proposer's record of violations regarding unfair
2 wage practices or unsafe working conditions, pursuant to
3 subsection B. below.

4 *** *** ***

5
6 **Section 13.** Anchorage Municipal Code section 7.20.040, Procedures for award, is
7 hereby amended to read as follows (*the remainder of the section is not affected and*
8 *therefore not set out*):

9
10 **7.20.040 Procedures for award.**

- 11
12 A. Contracts issued pursuant to ITB. Contracts shall be awarded by
13 written notice issued by the purchasing officer to the lowest responsive
14 and responsible bidder. However, [SOME]preference may be given
15 to local bidders using the sliding scale in subsection A.1 of this section
16 when funds are available and such preference is not prohibited by the
17 funding source.

18 *** *** ***

- 19 3. If the mayor or the mayor's designee, or assembly determines
20 that it is in the best interest of the municipality to do so, the
21 municipality may reject all bids.

- 22
23 B. Local bidder. For purposes of this chapter, the term "local bidder" is
24 defined as a person or entity who:

25 *** *** ***

- 26
27 C. Rejecting all bids. At the discretion of the purchasing officer, all bids
28 may be rejected.

- 29
30 D. Form of contract awarded. The contract awarded shall be the contract
31 published in the invitation for bids, including all specifications and
32 contractual terms applicable to the procurement.

- 33
34 E[C]. Bids in excess of certified funds. If the lowest responsive and
35 responsible bid exceeds the amount of funds certified by the chief
36 fiscal officer to be available for the procurement, and if sufficient
37 additional funds are not made available, the scope of the
38 procurement may be reduced to bring its estimated cost within the
39 amount of available funds. The purchasing officer shall issue a new
40 invitation for bids for the reduced procurement, or, upon a finding that
41 the efficient operation of the municipal government requires that the
42 contract be awarded without delay, the purchasing officer[HE] may
43 negotiate with the lowest responsive and responsible bidder or up to
44 the three lowest bidders, and may award or recommend to the
45 assembly for award, the reduced contract to the best negotiated
46 proposal.

47
48 (AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 95-147, § 1, 8-27-95)

49
50

1 **Section 14.** Anchorage Municipal Code section 7.20.050, Waiver of irregularities,
2 is hereby amended to read as follows:

3
4 **7.20.050 Waiver of irregularities.**

5
6 The assembly, or mayor or the mayor's designee for bids of
7 \$500,000[50,000] or less, shall have the authority to waive irregularities on
8 any and all bids, except that timeliness and manual or electronic signature
9 requirements shall not be waived.

10
11 (AO No. 79-203, 1-1-80; AO No. 93-217, 2-26-94; AO No. 2001-122(S-1), §
12 4, 7-24-01)

13
14 **Section 15.** Anchorage Municipal Code section 7.20.060, Competitive sealed
15 proposals; negotiated procurement, is hereby amended to read as follows (*the*
16 *remainder of the section is not affected and therefore not set out*):

17
18 **7.20.060 Competitive sealed proposals; negotiated procurement;**
19 **requests for proposals (RFPs).**

20
21 A. Competitive sealed proposals. If the purchasing officer determines
22 that use of competitive sealed bidding is either not practicable or not
23 advantageous, the municipality may procure supplies, professional
24 services, general services or construction by competitive sealed
25 proposals under this section.

26
27 B. Requests for proposals (RFPs). The purchasing officer shall solicit
28 competitive sealed proposals by issuing a request for proposals. The
29 request for proposals shall state, or incorporate by reference, all
30 specifications and contractual terms and conditions to which a
31 proposal must respond, the factors to be considered in evaluating
32 proposals, the relative importance of those factors, and the manner
33 and time limits for submitting proposals. Public notice of a request for
34 proposals shall be given in accordance with subsection 7.20.020[.]B.
35 One or more pre-proposal conferences may be held in accordance
36 with subsection 7.20.020[.]C. A request for proposals may be
37 modified or interpreted only in the manner provided in subsection
38 7.20.020[.]C.

39
40 C. Proposal submission. The purchasing officer shall require proposals
41 to be submitted electronically or by means of sealed envelopes. If
42 the purchasing officer accepts proposals by means of sealed
43 envelopes, they [SEALED PROPOSALS] shall be designated as such
44 and shall be submitted in the manner required and no later than the
45 time specified in the request for proposals. Proposals submitted by
46 sealed envelope that are not submitted in the manner required or
47 within the time [SO] specified in the request for proposals shall not
48 be opened or considered. Proposals submitted electronically shall
49 be submitted as specified and no later than the time specified in the
50 request for proposals. Proposals submitted electronically that are

1 not received by the means and time specified in the request for
2 proposals shall not be opened or considered.

3
4 D. Opening proposals; pre-award confidentiality. Proposals [SHALL BE
5 RECEIVED AT THE TIME AND PLACE DESIGNATED IN THE
6 REQUEST FOR PROPOSALS, AND] shall be opened so as to avoid
7 disclosing their contents to competing proposers[PROPONENTS]
8 during the evaluation, discussion, and negotiation process.
9 Notwithstanding chapter 3.90, the names of the responding firms,
10 contents of the proposals, tabulations and evaluations thereof shall be
11 open to public inspection only after assembly approval of a contract
12 award, except that the names of responding firms may be reported to
13 the assembly. However, the purchasing officer shall issue a notice of
14 intent to award to all responding proposers at least seven days prior
15 to assembly approval. Upon request by a competing
16 proposer[PROPONENT], the recommended awardee's proposal shall
17 be opened for review. The review by a competing
18 proposer[PROPONENT] is to assure reasonable access and
19 opportunity to request a debriefing from the purchasing officer prior to
20 assembly action on the proposed award. If an award does not require
21 assembly approval, public inspection shall [not] be allowed for a period
22 of [UNTIL] seven days after the purchasing officer has issued a notice
23 of intent to award, after which, if [AND] there are no pending reviews
24 or actions from any competing proposer, award may be made.

25
26 E. Negotiations with short-listed proposers. In the manner provided in the
27 request for proposals, the purchasing officer may enter into
28 discussions with those responsible proposers[PROPONENT] whose
29 proposals are determined by the purchasing officer to be most
30 reasonably responsive to the request for proposals (short-listed firms).
31 The purchasing officer may issue an interim notice to the remaining
32 firms that a qualified list has been established for discussion purposes.
33 No disclosure of the short-listed firms, contents of proposals,
34 tabulations or evaluations thereof shall be made in accordance
35 subsection D. above. Discussions shall be used to clarify and ensure
36 full understanding of the requirements of the request for proposals.
37 The purchasing officer may permit those short-listed firms to revise
38 their proposals after submission and prior to award to obtain best and
39 final offers. Proposers[PROPONENTS] deemed eligible for
40 discussions shall be treated equally regarding any opportunity to
41 discuss and revise proposals. However, if during the discussions it is
42 evident that the proposals, as submitted, will exceed the available
43 funding, and/or other changes in the terms, conditions, or
44 requirements are needed to clarify or fulfill the requirements of the
45 municipality, the purchasing officer shall issue a written modification
46 to those short-listed firms with an established date and time for the
47 firms to respond. The failure of a short-listed firm to respond or to notify
48 the purchasing officer of a needed time extension may be just cause
49 to remove the proposer from further consideration. In conducting
50 discussions or requesting revisions, neither the purchasing officer nor

1 any other municipal officer or employee shall disclose any information
2 derived from other competing proposals.

3
4 F. Award after negotiation. If fair and reasonable compensation, contract
5 requirements and contract documents can be agreed upon with the
6 most qualified proposer[PROPONENT] (or, in the case where an
7 award is to be made to more than one proposer, to the most qualified
8 proposers), the contract shall be awarded to [THAT]the most qualified
9 proposer[FIRM] (or proposers).

10
11 G. Failure to come to terms. If fair and reasonable compensation,
12 contract requirements and contract documents cannot be agreed
13 upon with the most qualified proposer[PROPONENT], the purchasing
14 officer shall advise the proposer of the termination of negotiations. If
15 the proposals were submitted by one or more other
16 proposers[PROPONENTS] determined to be qualified, negotiations
17 may be conducted with such other proposers in the order of their
18 respective rankings. The contract may be awarded to the
19 proposer[PROPONENT] then determined to be most advantageous to
20 the municipality.

21
22 H. Written notice of award. Awards shall be made by written notice to the
23 proposer[PROPONENT] whose final proposal is determined to be
24 most advantageous to the municipality. No criteria other than those
25 set forth in the request for proposals may be used in proposal
26 evaluation. If the mayor determines that it is in the best interest of the
27 municipality to do so, the municipality may reject all proposals.

28
29 I. Consideration of costs. When the service is routine and repetitious,
30 costs of the anticipated service shall be considered during evaluation
31 of proposals. This subsection shall not apply to a qualifications-based
32 selection process.

33
34 1. When the source selection is for architectural and/or
35 engineering services, (herein A/E services) a qualifications-
36 based selection process shall be used. Price will not be a factor
37 in the selection of the architect or engineer during the
38 evaluation process.

39 2. Notwithstanding subsection I.1 of this section, the purchasing
40 officer may include price as an added factor in selecting
41 architectural and engineering services when, in the judgment
42 of the purchasing officer, the services required are repetitious
43 in nature, and the scope, nature, and amount of services
44 required are thoroughly defined by measurable and objective
45 standards to reasonably enable proposers[FIRMS OR
46 PERSONS MAKING PROPOSALS] to compete with a clear
47 understanding and interpretation of the services required.

48
49 (a) In order to include price as a factor in selection of
50 architectural and engineering services, a majority

1 of the persons involved by the purchasing officer
2 in evaluating the proposals must be registered in
3 the state to perform architectural or engineering
4 services.

5 3. Subsections 1.1 and 2 of this section do not apply to a
6 design/build contract.

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

10
11 [J. LEGAL SERVICES SHALL BE PROCURED IN ACCORDANCE
12 WITH THIS SECTION. EXCEPT FOR PROCUREMENT OF LEGAL
13 SERVICES BY THE ASSEMBLY AS PROVIDED BY SECTION 4.06
14 OF THE CHARTER AND SUBSECTION K OF THIS SECTION, NO
15 NEGOTIATIONS OR CONTRACTS FOR THE SERVICES OF LEGAL
16 COUNSEL MAY BE PURSUED OR AWARDED WITHOUT THE
17 PRIOR APPROVAL IN WRITING OF THE MUNICIPAL ATTORNEY.
18 THE MUNICIPAL ATTORNEY SHALL REVIEW THE RESPONSES
19 RECEIVED BY THE PURCHASING OFFICER AND SHALL BE
20 ASSISTED BY THE PURCHASING OFFICER IN THE SELECTION
21 PROCESS. ALL BILLS OR INVOICES FOR PAYMENT FOR LEGAL
22 SERVICES OBTAINED PURSUANT TO THIS SECTION SHALL BE
23 REVIEWED AND APPROVED BY THE MUNICIPAL ATTORNEY
24 PRIOR TO PAYMENT. ALL FUNDS BUDGETED, OBLIGATED OR
25 EXPENDED BY ANY MUNICIPAL DEPARTMENT, AGENCY OR
26 UTILITY FOR CONTRACT LEGAL SERVICES MUST BE CHARGED
27 TO A SEPARATE LEGAL SERVICES BUDGET ACCOUNT WITHIN
28 THAT DEPARTMENT, AGENCY OR UTILITY. THE ASSEMBLY
29 SHALL APPROVE IN ADVANCE, THE PARTICIPATION BY THE
30 MUNICIPALITY IN ANY LITIGATION AS PLAINTIFF OR
31 INTERVENER, WHERE OUTSIDE COUNSEL IS RETAINED TO
32 REPRESENT THE MUNICIPALITY IF THE COST, INCLUDING
33 ATTORNEYS' FEES AND LITIGATION EXPENSES OF THAT
34 REPRESENTATION, IS LIKELY TO EXCEED \$30,000.00.

35
36 K. LEGAL SERVICE FOR THE ASSEMBLY SHALL BE PROCURED IN
37 ACCORDANCE WITH THIS SECTION. THE ASSEMBLY CHAIR
38 SHALL, SUBJECT TO PROTECTIONS OF COMPETITIVE BIDDING
39 IN ARTICLE 2, SECTION 11, OF THE CHARTER AND THIS TITLE,
40 AUTHORIZE AND DETERMINE THE METHOD OF PROCUREMENT
41 TO BE USED FOR RETENTION OF LEGAL COUNSEL FOR THE
42 ASSEMBLY, MUNICIPAL CLERK, ASSEMBLY COUNSEL,
43 OMBUDSMAN OR ASSEMBLY BUDGET ANALYST. HOWEVER, IN
44 THE EVENT OF A CONFLICT BETWEEN THE METHOD
45 PRESCRIBED FOR PROCUREMENT OF PROFESSIONAL
46 SERVICES AND THIS SECTION, THIS SECTION SHALL PREVAIL.
47 IT IS AN EXCEPTION TO COMPETITIVE BIDDING, IN
48 ACCORDANCE WITH CHARTER SECTION 2(11), SECTION 4.06,
49 AND SECTION 13.09, IF THE ASSEMBLY CHAIR DETERMINES A
50 NON-COMPETITIVE PROCUREMENT METHOD IS APPROPRIATE

1 AFTER CONSULTATION WITH ASSEMBLY COUNSEL, AND
 2 JUSTIFICATION IS STATED IN AN ASSEMBLY MEMORANDUM.
 3 FOLLOWING ASSEMBLY APPROVAL OF A MEMORANDUM
 4 SETTING FORTH ESSENTIAL TERMS FOR A CONTRACT
 5 PROCURED BY NON-COMPETITIVE METHODS, NO
 6 SUBSEQUENT REVIEW OR APPROVAL IS NECESSARY. FOR
 7 COMPETITIVE BIDDING PROCUREMENTS, THE ASSEMBLY
 8 CHAIR MAY REVIEW THE RESPONSES RECEIVED BY THE
 9 PURCHASING DEPARTMENT AND SHALL BE ASSISTED IN THE
 10 SELECTION PROCESS; HOWEVER, IF THE OPEN MARKET
 11 PROCEDURE IS USED PURSUANT TO SECTION 7.20.070, THE
 12 SOLICITATION OF INFORMAL BIDS OR QUOTATIONS MAY BE
 13 PROCURED BY THE ASSEMBLY CHAIR OR DESIGNEE, AND
 14 AWARDED BY THE ASSEMBLY CHAIR. ANY SELECTION MUST
 15 BE APPROVED BY THE ASSEMBLY PRIOR TO COMMENCEMENT
 16 OF WORK. THE PURCHASING OFFICER SHALL PROVIDE
 17 REASONABLY RESPONSIVE ASSISTANCE APPROPRIATE TO
 18 THE METHOD OF PROCUREMENT DETERMINED BY THE
 19 ASSEMBLY CHAIR. THE MUNICIPAL ATTORNEY SHALL PROVIDE
 20 REASONABLE ASSISTANCE FOR PROCUREMENTS UNDER
 21 THIS SUBSECTION WHEN REQUESTED BY THE CHAIR OF THE
 22 ASSEMBLY. NOTWITHSTANDING ANY OTHER PROVISION,
 23 WHEN THE ASSEMBLY OR A LEGISLATIVE BRANCH OFFICE IS
 24 NAMED AS A PARTY IN LITIGATION ADVERSE TO THE MAYOR
 25 OR ADMINISTRATION, THE PROCUREMENT AND SELECTION OF
 26 LEGAL SERVICES SHALL BE DETERMINED AND CONDUCTED
 27 SOLELY BY THE ASSEMBLY CHAIR OR DESIGNEE, AND SHALL
 28 NOT REQUIRE ENGAGEMENT OF THE PURCHASING
 29 DEPARTMENT OR MUNICIPAL ATTORNEY.]

30
 31 (AO No. 79-203, 1-1-80; AO No. 88-163; AO No. 92-82(S), 1-1-93; AO No.
 32 92-87(S); AO No. 94-174, § 1, 10-25-64; AO No. 2001-122(S-1), § 5, 7-24-
 33 01; AO No. 2007-22, § 2, 2-27-07; AO No. 2023-56(S), § 1, 5-9-23)

34
 35 **Editor's note** – compare AMC 7.20.060I.1-4. to AS 36.30.270 *Architectural,*
 36 *Engineering, and Land Surveying Contracts.*

37
 38 **Section 16.** Anchorage Municipal Code section 7.20.070, Open market procedure,
 39 is hereby amended to read as follows:

40
 41 **7.20.070 Informal competitive bid procedures—o[O]pen market**
 42 **procedure; requests for quotations.**

- 43
 44 A. **Simplified procedures for procurements below the Competitive**
 45 **Solicitation Threshold.** The purchasing officer may procure all
 46 supplies, services, professional services and construction having an
 47 estimated value less than the Competitive Solicitation Threshold [OF
 48 NOT MORE THAN \$50,000.00] on the open market without formal
 49 advertising or other formal bid procedures.
 50

- 1 B. Three bids or quotations. Whenever practicable, at least three written
 2 informal bids or quotations shall be solicited for any procurement
 3 under this section. The solicitation may be either oral or written, and
 4 shall be in a form reasonably calculated to yield the lowest responsive
 5 bid by a responsible bidder.
 6
- 7 C. Award to lowest bidder. Awards, where practicable, shall be made to
 8 the lowest responsive and responsible bidder. The purchasing officer
 9 shall keep a record of all open market bids received and awards made
 10 thereon. Local bidders preference shall be applied in accordance with
 11 section 7.20.040.
 12
- 13 D. Additional requirements. Contracts awarded under this section are not
 14 subject to the provisions of subsection 7.20.030B.
 15
- 16 E. Fragmentation prohibited. Purchasing requirements may not be
 17 artificially divided, fragmented, or structured so as to constitute a
 18 purchase under this section. Contracts and or change orders for
 19 supplies, materials, equipment or services that would customarily be
 20 acquired under a single contract shall not be divided for the primary
 21 purpose of avoiding or circumventing the bidding requirements of this
 22 chapter.
 23

24 (AO No. 79-203, 1-1-80; AO No. 2001-122(S-1), § 6, 7-24-01; AO No. 2019-
 25 130(S), § 2, 12-3-19)
 26

27 **Section 17.** Anchorage Municipal Code section 7.20.080, Proprietary and non-
 28 competitive procurements, is hereby amended to read as follows (*the remainder of*
 29 *the section is not affected and therefore not set out*):
 30

31 **7.20.080 Proprietary and non-competitive procurements—**
 32 **intergovernmental, post-secondary education and utility**
 33 **agreements; cooperative purchases; small purchases;**
 34 **purchases recommended by contractor; sole source**
 35 **procurements; single source procurements; avoidance of**
 36 **delay caused by unforeseen conditions; assembly aides**
 37 **and policy assistants.**
 38

- 39 A. The purchasing officer may contract, without the use of the competitive
 40 source selection procedures of this chapter, for the following supplies,
 41 services, professional services or construction:
 42 1. Intergovernmental, utility, and post-secondary educational
 43 agreements. For contracts, including reimbursable
 44 agreements, with Federal or State units of government, any
 45 post secondary educational institutions, or utility provider where
 46 the municipality has a financial responsibility or beneficial
 47 interest in entering into an agreement.
 48 2. Cooperative purchases; piggybacking. For contracts issued
 49 pursuant to any Federal, State, or local government contract
 50 where the municipality is an authorized user, or where the

- 1 resulting contractor agrees to extend the same terms,
2 conditions, and pricing to the municipality as those awarded
3 under the original contract. [(PIGGY-BACKING)] S[s]uch
4 agreements shall be limited to those contracts where the award
5 is issued pursuant to a formally advertised solicitation.
- 6 3. Small purchases. For contracts where the amount is less than
7 \$10,000.00 [5,000.00] for supplies, services, or professional
8 services, and \$25,000[10,000.00] for construction services,
9 and the price is fair and reasonable.
- 10 4. Purchases recommended by contractor. For contracts pursuant
11 to a formal recommendation by a municipal contractor
12 specifically tasked with researching and/or reviewing the
13 marketplace for qualified products or services. The municipal
14 contractor must have been hired specifically for this purpose
15 and must have been selected in accordance with the
16 competitive procedures of 7.20.020 (Bids) or 7.20.060
17 (Proposals).
- 18 5. Sole source. For contracts where the purchasing officer
19 determines in writing that the municipality's requirements
20 reasonably limit the source for the supplies, services,
21 professional service or construction to one person[.], and for
22 contracts for the legislative branch where the Municipal Clerk,
23 after consultation with the purchasing officer, has determined
24 in writing that the legislative branch's requirements reasonably
25 limit the source for the supplies, services, professional service
26 or construction to one person.
- 27 6. Single source. For contracts where a department has
28 standardized equipment or software and, in the opinion of the
29 purchasing officer (or, in the case of legislative branch
30 contracts, the municipal clerk) it is economically advantageous
31 to limit the source, so as to maintain the standardization or use
32 of existing software. Single-sourced contracts related to
33 software may be for licenses or maintenance (including
34 updates, functional patches, or security patches) of proprietary
35 software where such license or maintenance can only be
36 provided by the original software vendor or developer.
- 37 7. Avoidance of delay caused by unforeseen conditions.
38 Contracts for supplies, materials, equipment or services with an
39 estimated cost of less than \$500,000.00 when the purchasing
40 officer determines in writing that there are unforeseen
41 conditions and the time required for competitive bidding will
42 produce delays in an ongoing project, the costs of which will
43 outweigh any potential advantage that might be produced by
44 competitive bidding.
- 45 8. Assembly aides; policy assistants. For contracts where the
46 amount is less than \$50,000 where the purchasing officer or an
47 assembly member determines in writing that the services of a
48 contractor are needed to provide services of a confidential, or
49 otherwise sensitive, nature.
50

1 memorandum. Following assembly approval of a memorandum
 2 setting forth essential terms for a contract procured by non-
 3 competitive methods, no subsequent review or approval is necessary.
 4 For competitive bidding procurements, the assembly chair may review
 5 the responses received by the Purchasing Department and shall be
 6 assisted in the selection process; however, if the open market
 7 procedure is used pursuant to section 7.20.070, the solicitation of
 8 informal bids or quotations may be procured by the assembly chair or
 9 designee, and awarded by the assembly chair. Any selection must be
 10 approved by the assembly prior to commencement of work. The
 11 purchasing officer shall provide reasonably responsive assistance
 12 appropriate to the method of procurement determined by the
 13 assembly chair. The municipal attorney shall provide reasonable
 14 assistance for procurements under this subsection when requested by
 15 the chair of the assembly. Notwithstanding any other provision, when
 16 the assembly or a legislative branch office is named as a party in
 17 litigation adverse to the mayor or administration, the procurement and
 18 selection of legal services shall be determined and conducted solely
 19 by the assembly chair or designee, and shall not require engagement
 20 of the purchasing department or municipal attorney.

21
 22 (AO No. 79-203, 1-1-80; AO No. 88-163)

23
 24 Editor's note— The provisions of former 7.20.100 – Professional Services – are now
 25 included in section 7.20.060.[THE PROVISIONS CONTAINED IN THIS SECTION
 26 ARE NOW INCLUDED IN SECTION 7.20.060.]
 27

28 **Section 19.** Anchorage Municipal Code chapter 7.20 *Methods of source selection*,
 29 is hereby amended to add a new section to read as follows:
 30

31 **7.20.105 Election-related procurement.**

- 32
 33 A. *Procurements by clerk.* Consistent with Anchorage Municipal Code
 34 28.10.020, the municipal clerk may perform the functions of the
 35 purchasing officer under this Code to the extent necessary to
 36 effectuate a procurement of supplies, services, or professional
 37 services where the clerk concludes, after consultation with the
 38 purchasing officer, but in the sole discretion of the clerk, both:
 39 1. that the supplies, services or professional services are needed
 40 for the safe, accessible, orderly, efficient, lawful or successful
 41 conduct of a municipal election, and
 42 2. procurement of the supplies, services, or professional services
 43 cannot or will not be timely authorized or effectuated by the
 44 purchasing officer.
 45 B. *Reporting.* All procurements made pursuant to this section shall be
 46 reported to the assembly by informational memorandum made
 47 available to the public as soon as practicable.
 48

49 **Section 20.** Anchorage Municipal Code section 7.20.110, Bonds, is hereby
 50 amended to read as follows (*the remainder of the section is not affected and*

1 *therefore not set out):*

2
3 **7.20.110 Bonds.**

4
5 A. *Bid bonds.* The purchasing officer may require that persons submitting
6 bids pursuant to this chapter accompany their bids with a bid bond in
7 an amount and in a form acceptable to the purchasing officer. The
8 bond shall be issued by a company qualified by law to do business as
9 a surety in the state, or shall be in the form of a money order or
10 certified, commercial, or cashier's check. A condition of the bond shall
11 be that, if the bidder receives the award, he shall enter into a contract
12 therefor with the municipality.

13
14 *** **

15
16 (AO No. 79-203, 1-1-80)

17
18 State law reference(s)—Exemption from bond compliance,
19 AS 29.25.010(a)(10).

20
21 **Section 21.** Anchorage Municipal Code section 7.40.100, Jury procedures, is
22 hereby amended to read as follows (*the remainder of the section is not affected and*
23 *therefore not set out):*

24
25 **7.40.100 Jury procedures.**

26
27 A. A jury shall review resumes, work product and other pertinent
28 information which artists have placed on file with the municipal curator
29 of art or the Alaska State Council on the Arts, or the municipal curator
30 of art or a juror may ask an artist to submit the artist's[HIS] resume,
31 work product or other pertinent information directly to the jury.

32 *** **

33 G. A user department or Anchorage School District may object to the
34 selection of a particular piece of artwork for technical reasons related
35 to maintenance or safety by filing that objection with the public art
36 committee before the municipality has obligated itself to purchase or
37 commission a work of art. If the public art committee confirms the jury's
38 selection, the user department or Anchorage School District may,
39 within ten working days, submit the matter to the administration (or the
40 Anchorage School Board in the case of school facilities) for a final
41 decision. The mayor or the mayor's[HIS] designee shall render a
42 decision within ten working days. If the mayor or the mayor's[HIS]
43 designee rejects the jury's selection for technical reasons, the jury
44 shall continue the selection process.

45 *** **

46 (AR No. 79-109; AO No. 80-79; AR No. 81-270; AO No. 84-30; AR No. 87-
47 309, 1-1-88; AO No. 91-41; AO No. 2011-64(S-1), § 11, 6-28-11; AO No.
48 2019-127, § 1, 10-22-19)

1 **Section 22.** Anchorage Municipal Code chapter 7.70 *Contracts with Nonprofit*
 2 *Service Organizations*, is hereby amended to read as follows (*the remainder of the*
 3 *section is not affected and therefore not set out*):

4
 5 **7.70 GRANTS** [CONTRACTS WITH NONPROFIT SERVICE
 6 ORGANIZATIONS]

7
 8 **7.70.010 General provisions.**

- 9
 10 A. The municipality, including the assembly, may appropriate funds to
 11 [NONPROFIT]not-for-profit organizations, and tribal, governmental or
 12 quasi-governmental entities [SERVICE ORGANIZATIONS]. Any
 13 funds so appropriated will be expended only for a public purpose
 14 permitted by article IX, section 6, of the constitution of the state, and
 15 pursuant to a power granted to or assumed by the municipality. The
 16 organization must be a [NONPROFIT CORPORATION] not-for-profit
 17 organization, or a tribal, governmental or quasi-governmental entity
 18 organized under the laws of the state, whose purpose is to:
 19 1. Foster the general community welfare of the municipality; or
 20 2. Serve as a funding agency the primary purpose of which is to
 21 channel money or services to other [NONPROFIT
 22 SERVICE]not-for-profit organizations whose purpose is to
 23 foster the general community welfare.
- 24 B. If the organization is a funding agency for other organizations it must
 25 be specifically found to:
 26 1. Have established fair and objective guidelines approved by the
 27 assembly for the disbursement of funds to other [NONPROFIT
 28 SERVICE]not-for-profit organizations; and
 29 2. Follow a policy of forwarding funds or services only to those
 30 [NONPROFIT SERVICE]not-for-profit organizations which
 31 provide services designed for the benefit of the residents of the
 32 municipality.
- 33
 34 C. To qualify for an appropriation an organization must ensure that it:
 35 1. Is organized to meet a certain need within the community;
 36 2. Has a program designed to meet that specific need;
 37 3. [IS THE BEST QUALIFIED ORGANIZATION WITHIN THE
 38 COMMUNITY TO MEET THE IDENTIFIED NEED];
 39 4.] Has provided a functional work program, has a responsible
 40 organizational structure and, in the case of previously existing
 41 organizations, can demonstrate a record of financial
 42 responsibility; and
 43 4.[5.] Has the capacity and willingness to account for moneys so as
 44 to establish that all moneys spent are spent only for the public
 45 purpose designated by the assembly and only pursuant to a
 46 power granted to or assumed by the municipality.
- 47
 48 D. Funds which have been appropriated by the assembly to nonprofit
 49 organizations [FOR THE BENEFIT AND WELFARE OF THE PUBLIC
 50 SHALL BE CONTROLLED BY SUCH REGULATIONS AS MAY BE

1 PROPOSED BY THE MAYOR AND PROMULGATED IN
 2 ACCORDANCE WITH TITLE 3. FUNDS SO APPROPRIATED WILL]
 3 shall be subject in all cases to audit by the municipality, and, for
 4 nonprofit organizations which require independent financial audits, a
 5 copy of such audits will be furnished to the municipality.
 6 (GAAB 9.15.050; AO No. 77-148; AO No. 79-203)

7
 8 [7.70.020 CONTRACTS FOR CULTURAL AND RECREATIONAL
 9 SERVICES.

10 THE ASSEMBLY MAY AUTHORIZE CONTRACTS WITH NONPROFIT
 11 ENTITIES TO PROVIDE CULTURAL AND RECREATIONAL SERVICES
 12 WHICH COMPLY WITH SECTION 7.70.010 AND WITH THE FOLLOWING
 13 PROVISIONS:

- 14 A. A NONPROFIT ORGANIZATION DESIRING FUNDING FROM THE
 15 MUNICIPALITY FOR THE PROVISION OF CULTURAL AND
 16 RECREATIONAL SERVICES SHALL FIRST MAKE APPLICATION
 17 TO THE DEPARTMENT OF CULTURAL AND RECREATIONAL
 18 SERVICES OR THE OFFICE OF COMMUNITY AFFAIRS, AS
 19 APPROPRIATE, ON FORMS PROVIDED BY THE MUNICIPALITY.
 20 B. APPLICATIONS MUST BE SUBMITTED BY JULY 1. THE
 21 MUNICIPALITY SHALL ADVERTISE FOR CULTURAL AND
 22 RECREATIONAL PROPOSALS ONCE A WEEK FOR TWO
 23 CONSECUTIVE WEEKS PRIOR TO MAY 1.
 24 C. THE APPLICATION WILL BE REVIEWED BY THE APPROPRIATE
 25 ADVISORY COMMISSION, WHICH WILL MAKE
 26 RECOMMENDATIONS FOR APPROVAL OR DISAPPROVAL TO
 27 THE MAYOR AND THE ASSEMBLY.

28 (AO NO. 77-148; AO NO. 79-203; AO NO. 81-17; AO NO. 82-49)]

29
 30 **7.70.030 Assembly approval of grant agreements.**

31
 32 In accordance with the provisions of section 7.15.040, grants [GRANTS TO
 33 GOVERNMENTAL AGENCIES AND NONPROFIT SERVICE
 34 ORGANIZATIONS] in an amount exceeding \$50,000.00 shall be subject to
 35 assembly approval.

36 (AO No. 82-168; AO No. 2001-122(S-1), § 9, 7-24-01)

37
 38 **Section 23.** Anchorage Municipal Code title 7 is hereby amended to add a new
 39 chapter 90 *Grants Procedures*, to read as follows:

40
 41 **7.90.010 Request for Grant Proposal procedures**

- 42
 43 A. *Option to issue a Request for Grant Proposals (RFGPs).* The
 44 purchasing officer may solicit grant proposals by issuing a request for
 45 grant proposals. The request for grant proposals shall include all
 46 terms and conditions to which a grant proposal must respond, and the
 47 factors to be considered in evaluating grant proposals, the relative
 48 importance of those factors, and the manner and time limits for
 49 submitting proposals.
 50

- 1 B. *Submission of grant proposals.* Grant proposals may be submitted
2 electronically, or, at the election of the purchasing officer, by sealed
3 envelope. Grant proposals not submitted in the manner, or within the
4 time specified in the request for grant proposals shall not be
5 considered.
6
- 7 C. *Proposals public.* All grant proposals shall be open to public
8 inspection after opening.
9
- 10 D. *Negotiation with responsible proposers.* In the manner provided in
11 the request for grant proposals, the purchasing officer may negotiate
12 with those responsible proposers whose proposals are determined by
13 the purchasing officer to be reasonably responsive to the request for
14 grant proposals. The purchasing officer may permit proposers to
15 revise their grant proposals after submission. The municipality may
16 amend the amount of the grant, timeline or scope of work before
17 issuing a grant agreement.
18
- 19 E. *Selection.* Grants will be awarded to applicants whose final grant
20 proposals are determined to be most advantageous to the
21 municipality. No criteria other than those set forth in the request for
22 grant proposals may be used in grant proposal evaluation.
23
- 24 F. *Awards.* Awards shall be made by written notice to grantees. Award
25 notices shall contain the grant reporting requirements and require a
26 signed agreement to the terms of the grant before payment is issued.
27
- 28 G. *Prohibitions.* These procedures shall not be used for a grant or
29 contract which:
30 1. Involves, in the main, construction, modification or
31 maintenance of public buildings or facilities;
32 2. Involves the purchase of one or more vehicles;
33 3. Is primarily a grant or contract for the furnishing of services to
34 the municipality, as distinguished from the furnishing of
35 services to third parties.
36

37 A grant proposal which falls into one of the above categories may be declared
38 nonresponsive by the purchasing officer whether or not it otherwise complies
39 with the request for grant proposals.
40

41 (AR No. 83-275; AO 2024-36(S))
42
43

44 **7.90.020 Alternative procedures** 45

46 Grants may be awarded through alternative public procedures, or non-
47 competitively, subject to any assembly approval otherwise required by this
48 chapter, whenever the mayor or assembly determines the best interests of
49 the municipality will be served by such action.
50

(AR No. 83-275)

7.90.030 Appeal.

Any person adversely affected by any acts of the municipality in connection with the award of a municipal grant after a request for grant proposals may request that the purchasing officer reconsider by furnishing such request in writing to the purchasing officer within five days of the occurrence of the act giving rise to the request. The purchasing officer shall reply in writing to the request for reconsideration within 30 days of receipt of the request. The purchasing officer's response shall constitute the exhaustion of administrative remedies. There shall be no appeal to the bidding review board.

(AR No. 83-275)

Section 24. Anchorage Municipal Code of Regulations 7.70 *Regulations Pertaining to Grant Proposals* is hereby repealed.

Section 25. This ordinance shall be effective immediately upon passage and approval by the Assembly.

or

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2025.

Chair of the Assembly

ATTEST:

Municipal Clerk

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