

Submitted by: Chairman of the Assembly at  
the Request of the Mayor

Prepared by: Law Department

For reading: September 8, 2004

CLERK'S OFFICE  
**AMENDED AND APPROVED**

Date: 9-21-04

ANCHORAGE, ALASKA

AO NO. 2004 - 124(S)

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TITLE 7 TO ADD A  
2 NEW CHAPTER 7.80 PROVIDING FOR CREATION OF THE ANCHORAGE  
3 COOPERATIVE SERVICES AUTHORITY.

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6 **WHEREAS**, the Department of Efficiency has been studying options for reducing the cost of  
7 goods and services purchased by the Municipality; and

8  
9 **WHEREAS**, the Department of Efficiency is seeking partners from governmental and academic  
10 institutions for cooperative participation; and

11  
12 **WHEREAS**, the State of Alaska has indicated to the Municipality of Anchorage a preference for  
13 any agreement to be implemented through a separate Municipal entity; now therefore,

14  
15 THE ANCHORAGE ASSEMBLY ORDAINS:

16  
17 **Section 1.** Anchorage Municipal Code Title 7 is amended to add a new chapter 7.80 to read  
18 as follows (*the remainder of the title is not affected, and therefore not set out*):

19  
20 **7.80.010** **Established; termination.**

21  
22 There is established an Anchorage Cooperative Services Authority, a public corporate  
23 authority of the municipality. The authority is an instrument of the municipality, but  
24 exists independently of and separately from the municipality. The authority shall  
25 continue to exist until terminated by ordinance. When the authority's existence is  
26 terminated, all of its rights, assets and properties shall pass to the municipality.

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28 **7.80.020** **Definitions.**

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

33  
34 *Authority and cooperative services authority* shall mean the Anchorage Cooperative  
35 Services Authority.

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37 **7.80.030** **Board of directors.**

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39 The authority shall be governed by a board of directors consisting of five members  
40 appointed by the mayor subject to confirmation by the assembly. Three of the five  
41 members appointed by the mayor shall be executive employees of the municipality.

**7.80.040**      **Executive director.**

The mayor shall select the executive director of the authority, subject to confirmation by the assembly. The executive director of the authority shall serve at the pleasure of the mayor.

**7.80.050**      **Fiscal management.**

The chief fiscal officer shall be advisor to the authority regarding its financial affairs, including but not limited to establishing and maintaining the authority's funds. The chief fiscal officer, auditors appointed by the chief fiscal officer, and the internal auditor may examine and audit the books and records of the authority regarding its financial affairs, and the chief fiscal officer and the internal auditor may make recommendations to the authority, the mayor and the assembly regarding the authority's financial affairs. The chief fiscal officer shall be custodian of the authority's funds.

**7.80.060**      **Legal Counsel.**

The municipal attorney shall advise and assist the authority on all legal matters.

**7.80.070**      **Powers.**

A. In furtherance of its corporate purposes, the authority has the following powers, in addition to its other powers, subject to the approval of the mayor and the assembly as required by the Charter:

1. To sue and be sued;
2. To have a seal and alter it at pleasure;
3. To adopt, amend and repeal bylaws for its organization and internal management, however, bylaws regarding notice of meetings shall be adopted consistent with section 1.25.015;
4. To assist the municipality and others with whom the municipality or the authority may contract to achieve meaningful and sustainable cost savings on their procured expenses;
5. To provide the municipality or authority and others with whom the municipality may contact with to effect tracking and analysis of spend data;
6. To improve procurement processes using innovative sourcing techniques supported by a technology capable of growing with the changing needs;
7. To own, operate, manage and control cooperative service platform software assets, services, and related processes and manage/contract all vendor services required to do so;
8. To develop and enter into contracts for the authorities and services with other government organizations;
9. To sign contracts with public or private cooperative services organizations for the purpose of exchanging/sharing service contracts;

10. To offer advice and assistance to the procurement functions of the Municipality or other organizations in negotiations of contracts, and to support other procurement activities, where requested and appropriate;
11. To protect compiled data of each entity with whom the municipality or authority enters into a contract to the extent required by contract and consistent with public record statutes of the State of Alaska;
12. To request and receive data and information regarding procured items and services, or items and services to be procured, from the municipality or other organizations or their suppliers;
13. Subject to section 13.08 of the Charter, to accept payments, gifts, grants or loans from any governmental agency or entity;
14. Subject to section 13.08 of the Charter, to enter into contracts or agreements with respect to the exercise of any of its powers and to do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter.

C. Except as this chapter provides otherwise, the authority is not subject to title 3 or title 7.

**7.80.080 Exemption from taxes.**

- A. The real and personal property of the authority and its assets, income and receipts are declared to be the property of a political subdivision of the state devoted to an essential public and governmental function and purpose, and the property, assets, income, receipts shall be exempt from all municipal taxes.
- B. Nothing in this section creates a tax exemption with respect to the interest of any business enterprise or other person, other than the authority, in any property, assets, income, receipts whether or not financed under this chapter.

**7.80.090 Reports and recommendations.**

The authority shall file with the mayor and the assembly an annual report of its activities and shall make recommendations for the legislation or other action it considers necessary to carry out its corporate purposes.

**7.80.100 Annual budget.**

The authority shall have a separate budget within the annual municipal budget, and shall prepare and submit an annual budget in accordance with title 6.

**7.80.110 Annual audit.**

The authority shall be subject to the audit requirements of the Charter and title 6.

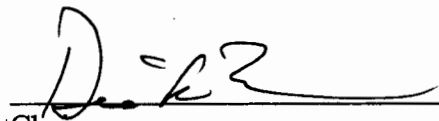
**Section 2.** That a loan in the amount of \$1,575,000 from the Municipal General Cash Pool to the Cooperative Services Authority is hereby authorized subject to the following: The loan will

1 be used for the acquisition of capital assets and be repaid through five annual payments of  
2 \$343,000 due on December 31<sup>st</sup> each year with the first payment due December 31, 2005; the  
3 loan will be disbursed on or about October 1, 2004; and, the rate of interest charged for the loan  
4 will be fixed at 3.95% (5-Year U.S. Treasury Note plus 50 basis points) for the entire term of the  
5 loan.

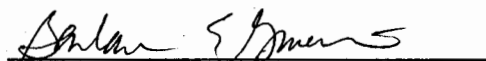
6  
7 **Section 3.** This ordinance shall become effective immediately upon passage and approval.  
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9 **Section 4.** On or before September 15, 2009, the Administration shall report to the Assembly  
10 concerning the performance of the Authority and whether it should continue to exist. If the  
11 Assembly fails to reauthorize the Authority's continued existence <sup>by ordinance</sup> on or before January 15, 2010  
12 then it shall cease to exist and this AO 2004-124(S)95 shall be automatically repealed without  
13 any action of the Assembly.  
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15  
16 PASSED AND APPROVED by the Assembly this 21<sup>st</sup> day of September, 2004.  
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22 Chairman

23 ATTEST:  
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28 Municipal Clerk  
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# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

AM No. 648-2004 (A)

Meeting Date: September 8, 2004

From: Mayor

Subject: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE TITLE 7  
TO ADD A NEW CHAPTER 7.80 PROVIDING FOR THE CREATION OF THE  
ANCHORAGE COOPERATIVE SERVICES AUTHORITY

The Municipality of Anchorage has initiated a project to lower the cost of its procurements utilizing many techniques and strategies. One of these efforts is to initiate cooperative purchases of goods and services with other governments and academic institutions within Alaska. By partnering with these other institutions, all participating members will receive lower costs on their procurements resulting from benefits received from volume purchasing.

Establishment of an authority is required to provide other qualifying institutions the appropriate contractual vehicle to enter into partnership agreements with the Municipality for mutually beneficial cooperative arrangements. Although this first project relates to cooperative procurement, other cooperative agreements across governments and academic institutions may also be formed using the Cooperative Services Authority organization.

The ultimate goal of the Cooperative Services Authority is to lower the costs of governance while maintaining the same or improving levels of service. This new organization provides us with the opportunity to accomplish these goals. The Authority will seek to be revenue funded from other member organizations and through vendor fees during 2004 and 2005. Until these revenue sources are secured, surcharges to departments, capital projects, and grants receiving cost benefit from the Cooperative Services Authority will be required. In addition, some working capital may be required in the first year through appropriate inter-agency or externally funded loans.

Upon Assembly approval of the ordinance creating the authority, the Municipal General Cash Pool will provide a loan to the Cooperative Services Authority in the amount of \$1,575,000. The loan will be disbursed on or about October 1, 2004. Proceeds from the loan will be used by the Authority to purchase capital assets. The loan will be repaid through five annual installments of \$343,000 each due December 31<sup>st</sup> with the first payment due on December 31, 2005. The loan payments include an interest charge at a fixed rate of 3.95% (5-Year U.S. Treasury Note plus 50 basis points). In addition to the loan, an operating payment from the Division of Efficiency for 2004 services in the amount of \$225,000 will be made during fiscal 2004. Operational funding for subsequent years will be addressed through subsequent year operating budgets.

Recommendation: The Administration recommends approval of the ordinance establishing the existence of the Cooperative Services Authority.

Prepared by: Paul Wiltse, Director of Efficiency

Concur/Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

101-1931-3910 BP 2004 \$225,000 (2004 Operating Budget)

Concur: Denis C. LeBlanc, Municipal Manager

Respectfully Submitted: Mark Begich, Mayor