

Alaska Government Contracting Conference 2014

“Navigating Today’s Government Marketplace”

February 18 & 19, 2014
Fairbanks, Alaska

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State Product Preference Program Opportunities for Alaska Businesses

Michael Hanzuk, Development Specialist

Alaska Product Preference Program

Overview

- I. Procurement Basics
- II. Preference Programs
- III. Classification of products
- IV. Application process
- V. Website locations
- VI. Contact information

Procurement Basics

The State of Alaska buys goods and services through a procurement (buying) process.

- Goods or services are procured in several ways, depending on the value of the goods or services being sought:
 - Based on lowest cost using the Request for Quote (RFQ) or Invitation to Bid (ITB) process, or
 - Based on best value, including cost, experience, and methodology using the Request for Informal Proposals (RFIP) or Request for Proposals (RFP) process.
 - The State of Alaska announces formal requests for bids through the [Online](#) Public Notice System.

- Local businesses are encouraged to participate.

Procurement Basics

- Preference is provided to prequalified businesses in Alaska, which the state uses to evaluate bids.
- Products produced in Alaska by registered local manufacturers/producers have a preference over non-Alaska products.
- State bids can range from \$50,001 (Informal) and be more than \$100,000 (Formal).
- How do you get involved?

Preference Programs

- Review the programs and take advantage:
 1. Alaska Product Preference
 2. Offeror's Preference
 3. Bidder Preference
 4. Employer Preference
 5. Agricultural and Fisheries Products Preference
 6. Local Forest
 7. Recycled Products Preference
 8. Employment Program Preference
 9. Alaskans with Disabilities Preference
 10. Veterans Preference

Preference Programs

- What can you do?
 1. Identify and register your product(s) or service produce; they all have a value in Alaska.
 2. Participate in any or all of the preferences (depending on qualifications).
 3. If you manufacture products register them, they could be worth 3%, 5%, or 7% percent preference in a state bid.
 4. Be proactive not reactive!

Classifications

AS 36.30.332 [Classification of Alaska products](#)

Products are classified with a value of 3%, 5%, or 7% preference

- Product class is determined by how much is manufactured in state:
 - Class I = 3% (25% > and < 50% produced in state)
 - Class II = 5% (50% > and < 75% produced in state)
 - Class III = 7% (75% or > produced or manufactured in state)

*(Local preferences may not apply to some federally funded projects.)

Alaska Product Preference Program

Example: How the preference affects a bid.

Before preference is applied to the product.

<u>Qty</u>	<u>Unit of Measure</u>	<u>Description</u>	<u>Unit Price</u>	<u>Extension</u>
100	1/100ct	Widgets	\$15.50	\$1,550.00
		Pallet Charge:		\$30.00
		<u>Shipping Charges:</u>		<u>\$100.00</u>
		Total Bid Price:		\$1,680.00

Example: Deducting the Preference

Widget is listed on the DED product list as a Class III.

Widget (Preference applies to product only.) Total		\$1,550.00
7% (\$1,550 x .07) Product Preference Applied	=	<u>-\$108.50</u>
Total (evaluation purpose only) =		\$1,441.50

Alaska Product Preference Program

Example: Applying the Preference

After preference is applied to the product.

Qty	UOM	Description	Unit Price	Extension
100	1/100ct	Widget	\$14.415	\$1,441.50
		Pallet Charge		\$30.00
		Shipping Charges		\$100.00
Total Bid Price				\$1,571.50

DOC Bid #????	Bidder A Out-of-state	Local Bidder B – APP List	Local Bidder C – No Preference
Factor A Alaskan Owned	No	Yes	Yes
Evaluation Cost	\$1,632	\$1,571.50	\$1,680
Factor B Delivered	Yes	Yes	Yes
Bid Amount	\$1,632	\$1,680	\$1,680

Alaska Product Preference Program

New Look and Features

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

Four added features:

- View Categories
- View Companies
- View Products
- Online Application



Alaska Product Preference Program

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- **View Categories**
- View Companies
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Department of Commerce, Community & Economic Development
Economic Development

HOME FINANCING SECTION DEVELOPMENT SECTION

State of Alaska > Commerce > Economic Development > Development > Alaska Product Preference Program > Categories

ALASKA PRODUCT PREFERENCE CATEGORIES

[Return Home](#) [View Categories](#) [View Companies](#) [View Products](#)

The NIGP Commodity/Services Code is the product of the National Institute of Governmental Purchasing, Inc. (NIGP) and is copyrighted material.

Categories	00 Categories	All
▶ 010 - Acoustical tile, insulating materials, and supplies	4 Items	
▶ 019 - Agricultural crops and grains including fruits, melons, nuts, and vegetables	2 Items	
▶ 020 - Agricultural equipment, implements, and accessories (see class 022 for parts)	1 Item	
▶ 031 - Air conditioning, heating, and ventilating equipment, parts and accessories (see class 740 also)	2 Items	
▶ 052 - Art objects	2 Items	
▶ 070 - Automotive vehicles and related transportation equipment (including trailers) (effective 1-1-06 this class inactivated, refer to classes 071, 072 and 073)	2 Items	
▶ 080 - Badges, awards, emblems, name tags and plates, jewelry, etc.	2 Items	
▶ 085 - Bags, bagging, ties, and erosion sheeting, etc.	3 Items	
▶ 120 - Boats, motors, and marine equipment	4 Items	
▶ 145 - Brushes (see class 485 for janitorial type)	1 Item	
▶ 150 - Builder's supplies	10 Items	
▶ 155 - Buildings and structures: fabricated and prefabricated	13 Items	
▶ 165 - Cafeteria and kitchen equipment, commercial	1 Item	
▶ 190 - Chemicals and solvents, commercial (in bulk)	1 Item	
▶ 192 - Cleaning compositions, detergents, solvents, and strippers - prepackaged	1 Item	
▶ 200 - Clothing: athletic, casual, dress, uniform, weather and work related	1 Item	
▶ 208 - Computer software for microcomputers (preprogrammed)	1 Item	
▶ 210 - Concrete and metal products, culverts, pilings, septic tanks, accessories and supplies	12 Items	
▶ 255 - Decals and stamps	1 Item	
▶ 285 - Electrical equipment and supplies (except cable and wire)	1 Item	
▶ 325 - Feed, bedding, vitamins and supplements for animals (see class 875 for drugs and pharmaceuticals for animals)	3 Items	
▶ 330 - Fencing	2 Items	
▶ 335 - Fertilizers and soil conditioners	3 Items	
▶ 375 - Foods: bakery products (fresh)	1 Item	
▶ 385 - Foods, frozen	1 Item	
▶ 390 - Foods: perishable	1 Item	
▶ 393 - Foods: staple grocery and grocer's miscellaneous items	4 Items	
▶ 405 - Fuel, oil, grease and lubricants	6 Items	
▶ 410 - Furniture: health care, hospital and/or doctor's office	1 Item	
▶ 415 - Furniture: laboratory	1 Item	
▶ 420 - Furniture: cafeteria, chapel, dormitory, household, library, lounge, school	1 Item	
▶ 425 - Furniture: office	7 Items	
▶ 545 - Machinery and hardware, industrial	1 Item	

Alaska Product Preference Program

New Look and Features

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

Four added features:

- View Categories
- **View Companies**
- View Products
- Online Application



Financing Section

- ▶ Financing Section Home Page
- ▶ Loan Programs
- ▶ Interest Rates
- ▶ Customer Service
- ▶ Borrower Online Access
- ▶ Assets for Sale
- ▶ Business Planning & Assistance

Development Section

- ▶ Development Section Home Page
- ▶ AK Loyal
- ▶ Alaska Product Preference Program
- ▶ ARDOP
- ▶ Assistance Center
- ▶ Office
- ▶ Fisheries and Seafood
- ▶ Forest Products
- ▶ Made In Alaska
- ▶ Minerals
- ▶ Tourism

Division Links

- ▶ Financing Section
- ▶ Development Section
- ▶ Contact Staff

DCCED Links

- ▶ Commissioner
- ▶ Banking & Securities
- ▶ Community & Regional Affairs
- ▶ Corporations, Business & Professional Licensing
- ▶ Insurance

State Links

- ▶ State of Alaska Home Page
- ▶ State of Alaska Constitution
- ▶ State of Alaska Statutes
- ▶ Alaska Administrative Code

ALASKA PRODUCT PREFERENCE COMPANIES

[Return Home](#)
[View Categories](#)
[View Companies](#)
[View Products](#)

The NIGP Commodity/Services Code is the product of the National Institute of Governmental Purchasing, Inc. (NIGP) and is copyrighted material.

Companies	87 Companies		
▶ A.T. Publishing and Printing	8 Products		
▶ AAA Fence, Inc.	1 Product		
▼ Ace Dragon Coatings & Foam Inc.	4 Products		
<p>Contact: Mr. Winston Gillies, President Phone: (907) 398-6247 Fax: (907) 283-4115</p> <p>E-Mail: w.gillies@ace-dragon.com Address: P.O. Box 1486 43009 Morning Circle Kenai, AK 99611 Website: www.ace-dragon.com</p>			
Certified Products	Class	Approved	Exp. Date
63011 - Coatings, protective, high performance, polyureas and polyaspartics Spill Containment for portable equipment (Duck Pond)	Class III	12/23/2013	04/01/2016
63011 - Coatings, protective, high performance, polyureas and polyaspartics Blast Mitigation & Seismic Protection Polyurea	Class III	12/23/2013	04/01/2016
63011 - Coatings, protective, high performance, polyureas and polyaspartics Tank Linings (Potable Water)	Class III	12/23/2013	04/01/2016
63011 - Coatings, protective, high performance, polyureas and polyaspartics Tank Linings - diesel, crude, waste water, other fuels, acid, etc.	Class III	12/23/2013	04/01/2016
▶ AGG PRO	3 Products		
▶ Alaska Fab	7 Products		
▼ Alaska Flour Company	3 Products		
<p>Contact: Mr. Bryce Wrigley, Owner Phone: (907) 687-9924</p> <p>E-Mail: bwrigley@gmail.com Address: P.O. Box 1036 Delta Junction, AK 99737</p>			
Certified Products	Class	Approved	Exp. Date
01994 - Wheat Barley Cereal	Class III	05/04/2012	03/31/2014
39351 - Flour Whole Grain Flour	Class III	05/04/2012	03/31/2014
39351 - Flour Whole Wheat Flour	Class III	05/04/2012	03/31/2014
▶ Alaska Garden & Pet Supply, Inc.	4 Products		
▶ Alaska Laser Printing & Mailing Services	3 Products		
▶ Alaska Litho, Inc.	8 Products		
▶ Alaska Mint, LLC	8 Products		

Alaska Product Preference Program

New Look and Features

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

Four added features:

- View Categories
- View Companies
- **View Products**
- Online Application



State of Alaska > Commerce > Economic Development > Development > Alaska Product Preference Program > Products

ALASKA PRODUCT PREFERENCE PRODUCTS

[Return Home](#) [View Categories](#) [View Companies](#) [View Products](#)

The NIGP Commodity/Services Code is the product of the National Institute of Governmental Purchasing, Inc. (NIGP) and is copyrighted material.

Products	325 Products	All
▶ 010 - Acoustical tile, insulating materials, and supplies		10 Items
▶ 019 - Agricultural crops and grains including fruits, melons, nuts, and vegetables		21 Items
▶ 020 - Agricultural equipment, implements, and accessories (see class 022 for parts)		1 Item
▶ 031 - Air conditioning, heating, and ventilating equipment, parts and accessories (see class 740 also)		2 Items
▶ 052 - Art objects		2 Items
▶ 070 - Automotive vehicles and related transportation equipment (including trailers) (effective 1-1-06 this class inactivated, refer to classes 071, 072 and 073)		2 Items
▼ 080 - Badges, awards, emblems, name tags and plates, jewelry, etc.		7 Items
08078 - Medallions - Gold		
08078 - Medallions - Silver		
08078 - Medallions - Bronze		
08078 - Medallions - Copper		
08078 - Medallions - Nickel		
08078 - Plaques		
08046 - Coin Jewelry		
▶ 085 - Bags, bagging, ties, and erosion sheeting, etc.		3 Items
▼ 120 - Boats, motors, and marine equipment		4 Items
12035 - Docks		
12023 - Boats - Fabrication		
12020 - Flotation Billets		
12097 - Winches, rope/line/ electrical cable haulers and coiler		
▶ 145 - Brushes (see class 485 for janitorial type)		1 Item
▼ 150 - Builder's supplies		27 Items
15095 - Windows Vinyl		
15095 - Windows Fiberglass		
15095 - Plastic Windows		
15045 - Buildings - Scribe-fit Logs		
15058 - Buildings - Truckable Modules		

Alaska Product Preference Program

New Look and Features

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

Four added features:

- View Categories
- View Companies
- **View Products**
 - **Manufacturers**
- Online Application

The screenshot shows the website interface for the Alaska Product Preference Program. At the top, there is a navigation bar with 'HOME', 'FINANCING SECTION', and 'DEVELOPMENT SECTION'. Below this is a large banner image of a marina with sailboats and mountains in the background. The main content area is titled 'ALASKA PRODUCT PREFERENCE COMPANIES' and includes buttons for 'Return Home', 'View Categories', 'View Companies', and 'View Products'. A text block explains that the NIGP Commodity/Services Code is the product of the National Institute of Governmental Purchasing, Inc. (NIGP) and is copyrighted material. A yellow box displays 'Description Filter Applied' with the text 'This page is currently showing companies that have products with the following description: Docks' and a 'Remove Filter' button. Below this is a table of companies with 3 companies listed.

Companies		3 Companies
▶ Allied Steel Construction Inc.		1 Filter Product / 10 Total Products
▶ Greer Tank, Inc.		1 Filter Product / 17 Total Products
▶ STEELFAB		1 Filter Product / 30 Total Products

Alaska Product Preference Program

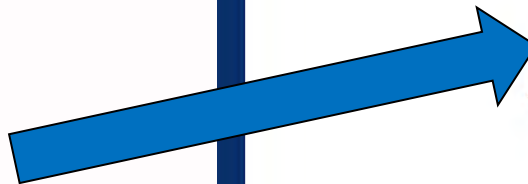
New Look and Features

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

Four added features:

- View Categories
- View Companies
- View Products
- **Online Application**



State Links

- ▶ State of Alaska Home Page
- ▶ State of Alaska Constitution
- ▶ State of Alaska Statutes
- ▶ Alaska Administrative Code

preference.

Please note that the certification in the State's preference programs goes to the products and not to the manufacturer.

How to Get Certified in the Alaska Product Preference Program

Any Alaskan business that *manufactures a product with at least 25% value added in Alaska*, may submit a signed and notarized application for certification to the Department of Commerce, Community, and Economic Development. The department will determine whether the applicant's products meet the statutory requirements. If the certification is granted, the department will send written notice of a two-year certification for the approved product.

Per AS 36.30.338, the following definitions are used:

1. "Alaska product" means a product of which not less than 25 percent of the value, as determined in accordance with regulations adopted under AS 36.30.332(a), has been added by manufacturing or production in the state;
2. "produced or manufactured" means processing, developing, or making an item into a new item with a distinct character and use through the application within the state of materials, labor, skill, or other services;
3. "product" means materials or supplies but *does not include gravel and asphalt*.

- [Authorization and Reauthorization Form](#) (pdf)
- [Worksheet for Procurement Officers](#) (pdf)
- **Online Application**

ALASKA PREFERENCE PROGRAM LINKS

- [Alaska's preferences at-a-glance](#) (pdf)
- [How municipalities apply recycled product and agriculture product preferences](#)
- [Agriculture and Fish Products Preference](#)
- [Alaska Forest Products](#)
- [Alaska Employment Preferences](#) (pdf)
- [Alaska Recycled Product Preferences](#)

CONTACTS

Alaska Product Preference

Michael Hanzuk Development Specialist II Division of Economic Development Department of Commerce, Community, and Economic Development 550 West 7th Ave., Suite 1770 Anchorage, AK 99501 Phone: (907) 269-8104 Fax: (907) 269-5666 michael.hanzuk@alaska.gov

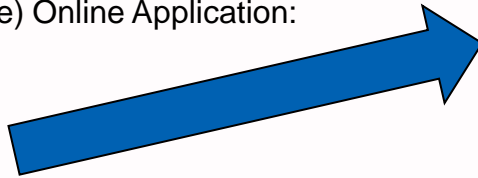
Alaska Product Preference Program

Application Information

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

(Sample) Online Application:



Department of Commerce, Community, and Economic Development
Division of Economic Development
State of Alaska > Commerce > Economic Development > Development > Alaska Product Preference Program > Account Home > Application

ALASKA PRODUCT PREFERENCE - APPLICATION

Welcome, SalsalSalmon [Account Home](#) [User Profile](#) [Sign-Out](#)

*** - Required Field**

Company

Company Name: *

Company Type:

AK Business License #: *

Mailing Address 1: *

Mailing Address 2:

City: *

State: *

Zip Code: *

Company Phone: *

Company Fax:

Company Email:

Company URL:

Prefix (Contact Person): *

First Name (Contact Person): *

Last Name (Contact Person): *

Title (Contact Person):

Manufacturing Facilities: Facility Count: 1

Products: Product Count: 1

[Save](#) [Cancel](#) [Finalize](#)

State of Alaska [Commerce](#) [DED](#) [Development](#) [Financing](#) [Email Webmaster](#) [Contact Us](#)
Toll Free Hotline 1-800-478-9628 within Alaska

Anchorage Robert B. Atwood Building 550 W. 7th Avenue, Suite 1770 Development Anchorage, Alaska 99501-3576 Phone (907) 269-8150 Fax (907) 269-8147	Fairbanks 211 Cushman Street Fairbanks, Alaska 99701-4639 Phone (907) 451-2748 Fax (907) 451-2742 TTD (907) 465-5437	Juneau 3032 Village Park Blvd, Suite 100 Juneau, AK 99801 Development PO Box 110804 Juneau, AK 99811-2804 Phone (907) 465-2510 Fax (907) 465-3767 Financing PO Box 34159 Juneau, AK 99803-4159 Phone (907) 465-2510 Fax (907) 465-2153 TTD (907) 465-5437
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Alaska Product Preference Program

Application Information

APP website:

<http://www.commerce.state.ak.us/dnn/ded/DEV/AlaskaProductPreferenceProgram.aspx>

AkProd, Development Section, Division of Economic Development <https://www.commerce.state.ak.us/ded/apps/AKProdPrefExternal/Secur...>

Preference Class: *

- Class I (receives 3 percent preference): more than 25 percent and less than 50 percent produced or manufactured in Alaska.
- Class II (receives 5 percent preference): 50 percent or more and less than 75 percent produced or manufactured in Alaska.
- Class III (receives 7 percent preference): 75 percent or more produced or manufactured in Alaska.

NIGP Item: * 39374 - Seafood, canned
The NIGP Commodity/Services Code is the product of the National Institute of Governmental Purchasing, Inc. (NIGP) and is copyrighted material.

Product Description: * Jarred Salmon

Product Authorization Period: * April 1 - March 31 October 1 - September 30

Describe the raw materials used:

Material 1 Salmon from Alaskan processors, salsa sauce, and jars

Describe this material: * Salmon from Alaskan processors, salsa sauce, and jars purchased from Alaskan businesses.

Is this material made in Alaska: * Yes No

List the steps in manufacturing or creating your value-added product (e.g. Locally produced (product X) is purchased, shredded, and mixed with (product Y) purchased from (company B) to produce (product Z).)

Manufacturing Steps: * Locally purchased salmon is process at Alaska facility as smoked or non-smoked and cooked in a mix of sauces. All processing of salmon, packaging, labelling, and distribution is done in Alaska through local companies and distribution networks.

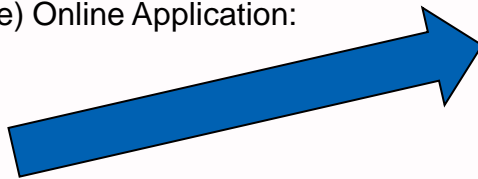
If any of the above steps take place outside Alaska, please note them here: All production of final product(s) occurs at an Alaskan manufacturing or seafood processing facility.

[Return to Company List](#)

[State of Alaska](#) [Commerce](#) [DED](#) [Development](#) [Financing](#) [Email Webmaster](#) [Contact Us](#)
Toll Free Hotline 1-800-478-5628 within Alaska

Anchorage Robert B. Aberood Building 550 W. 7th Avenue, Suite 1770 Development Anchorage, Alaska 99501-3576 Phone (907) 269-8150 Fax (907) 269-8147	Fairbanks 211 Cushman Street Fairbanks, Alaska 99701-4639 Phone (907) 451-2748 Fax (907) 451-2742 TTD (907) 465-5437	Juneau 5032 Village Park Blvd, Suite 100 Juneau, AK 99801 Development PO Box 110804 Juneau, AK 99811-0804 Phone (907) 485-2510 Fax (907) 485-3787
Financing Anchorage, Alaska 99501-3569 Phone (907) 269-8150 Fax (907) 269-8147 TTD (907) 465-5437		Financing PO Box 34156 Juneau, AK 99803-4156 Phone (907) 485-2510 Fax (907) 485-2103 TTD (907) 465-5437

(Sample) Online Application:



Website Locations

Where to find the website and list of published products:

- **Application and published product list**
 - [APP](#) Online and PDF application
[APP product publication list](#)
- **Procurement information ([BUSINESS](#))**
 - Online Public Notice <http://aws.state.ak.us/OnlinePublicNotices>
 - General Services <http://doa.alaska.gov/dgs/>
 - Transportation <http://www.dot.alaska.gov/procurement/>
- **All Preferences**
 - [Alaska's preferences at-a-glance](#) (PDF) all preferences

DED Additional Programs

▪ DED Programs

- [Made in Alaska](#)

<http://www.madeinalaska.org/>

- [Tourism](#)

<http://www.commerce.state.ak.us/dnn/ded/DEV/TourismDevelopment.aspx>

- [Forest Preference](#)

<http://www.commerce.state.ak.us/dnn/ded/DEV/ForestProducts/ForestProductsPreferenceProgram.aspx>

- Loan Programs ([Financing Section](#))

<http://www.commerce.state.ak.us/dnn/ded/fin.aspx>

Alaska [Microloan](#) program for \$35K up to maximum \$70K

<http://www.commerce.state.ak.us/dnn/ded/FIN/LoanPrograms/Microloan.aspx>

Alaska Product Preference Program

Contact Information

Michael Hanzuk

Alaska Product Preference

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Development
Department of Commerce,
Community, and Economic
Development
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Anchorage, AK 99501
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Fax: (907) 269-8147
michael.hanzuk@alaska.gov

Matt Pegues

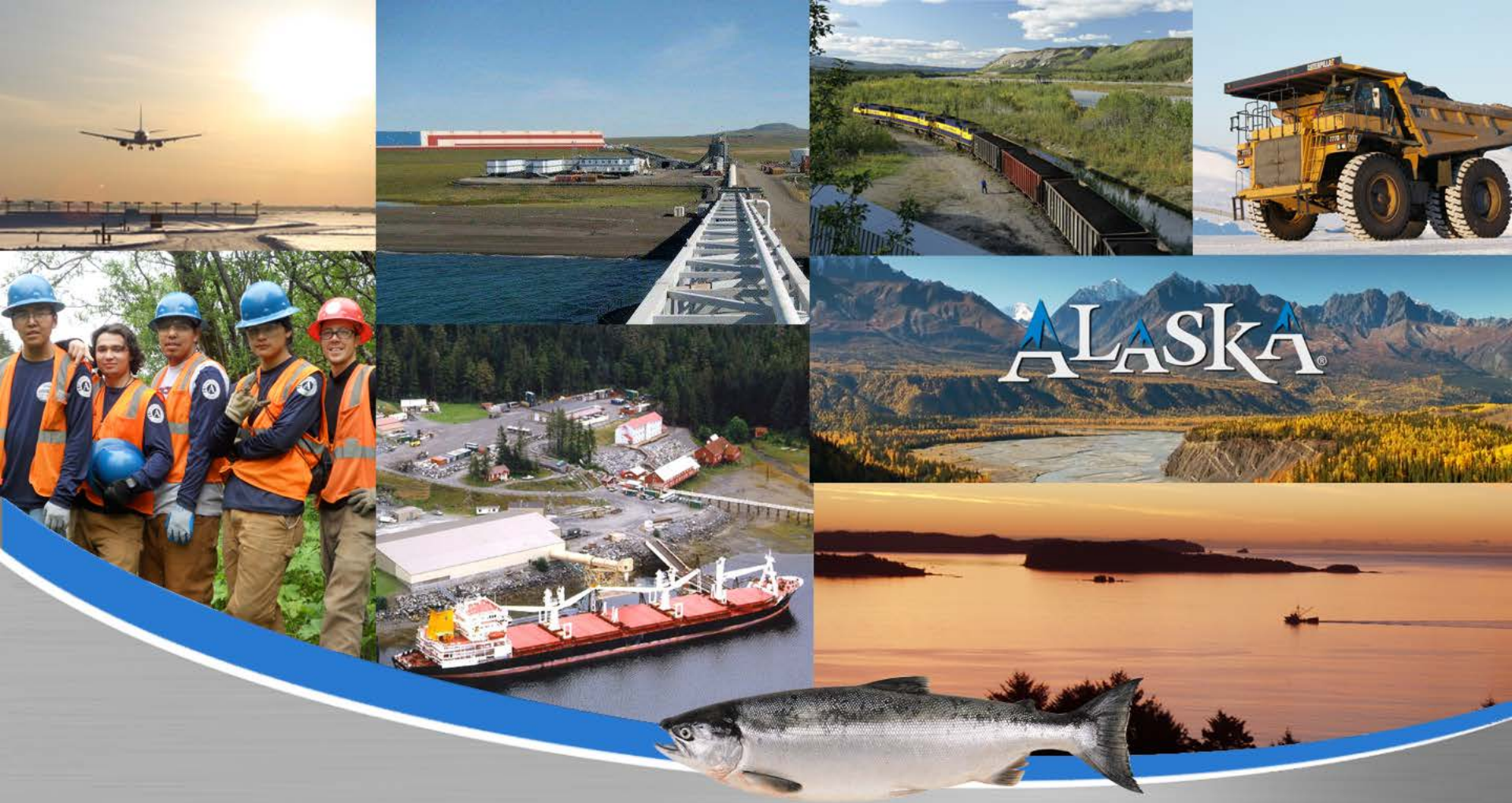
Alaska Bidder, Offeror, Agriculture, and Recycled Preferences

Department of Administration
Division of General Services
PO Box 110210
Juneau, AK 99811-0210
Phone (907) 465-5681
matthew.pegues@alaska.gov

Main Line

Alaska Employment Preferences

Department of Labor and
Workforce Development
Division of Vocational Rehab
801 West 10th Street, Suite A
Juneau, Alaska 99801-1894
Phone (907) 465-6936 or
1-800-478-2815
FAX: 465-2856



**Alaska Product Preference /Made in Alaska/Small Business Assistance Center
Michael Hanzuk**

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Department of Commerce, Community, and Economic Development
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ALASKA
DEPARTMENT OF
COMMERCE,
COMMUNITY,
AND ECONOMIC
DEVELOPMENT