



Alaska Aerospace Corporation Regulations



ARTICLE 1. PROCUREMENT

1.010. PURPOSE

This article is intended to establish procedures to govern the procurement of research and development projects, professional services, supplies, services and construction projects by Alaska Aerospace Corporation (AAC).

Authority: AS 14.40.866
AS 14.40.871

1.020. GENERAL PROVISIONS

The AAC procurement process will not discriminate because of race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation.

Authority: AS 14.40.866
AS 14.40.871

1.030. METHODS FOR PROCUREMENT

(a) Invitation to Bid (ITB). AAC's preferred procurement method is the advertised ITB process.

1) the ITB is used to procure (i) non construction-related supplies, services and professional services with an estimated cost greater than \$100,00, and (ii) construction, and construction-related supplies, services and professional services, with an estimated cost greater than \$200,000, that can be obtained through price competition using a bid specification. The specification will describe the requirements;

2) an ITB shall be issued to each qualified vendor responding to an advertised notice of ITB or to potential vendors based on a listing of qualified vendors maintained by AAC;

3) responses to an ITB will be completed by the vendors per ITB instructions with price quotations and signatures and returned to the AAC office;

4) at the designated time, bid packages will be opened and evaluated by AAC to determine the lowest bid. Evaluation results will then be reviewed by the Chief Executive Officer (CEO) for approval prior to the issuance of a contract. Alaska bidders will be accorded a five percent preference on acceptable bids. After approval, the successful bidder will be notified of the award;

5) vendors must be advised of the decisions regarding bid awards; the following wording must be included in all bid solicitations: All bids accepted by the AAC are subject to the AAC terms and conditions and any and all terms and conditions submitted by bidders are rejected and shall have no force and effect. Bid tabulation with recommended award will be available for review by interested parties at the location where bids were opened;

6) subcontractors. A list of subcontractors shall be provided either with the bid or prior to contract award. AAC will retain the right to approve or disapprove any change of subcontractors after contract award;

7) bid security, as follows:

(A) bid security may be required for any competitive sealed bidding at AAC's sole discretion;

(B) bid security must be in an amount and a form satisfactory to AAC;

(C) when the invitation to bid requires security, AAC will reject a bid that does not comply with the material terms of the bid security requirement;

8) AAC will give public notice of the ITB at least 14 days before the date for the opening of bids; if a determination is made in writing that a shorter notice period is necessary for a particular bid, the 14-day period may be shortened; the time and manner of notice must be in accordance with AAC procedures; when practicable, notice may include:

(A) Publication in a newspaper or on the internet calculated to reach prospective bidders; and

(B) notices posted in public places within the area where the work is to be performed or the material furnished.

9) Bid Acceptance and Bid Evaluation.

(A) bids shall be unconditionally accepted without alteration or correction, except as authorized below. AAC will evaluate bids based on the requirements set out in the ITB, which may include criteria to determine acceptability such as inspection, testing, quality, delivery, and suitability for a particular purpose; the criteria that will affect the bid price and be considered in evaluation for award must be objectively measurable, such as discounts, transportation costs, and total or life cycle costs; the ITB must set out the evaluation criteria to be used; criteria may not be used in bid evaluation if they are not set out in the ITB;

(B) a contract based on total or life cycle costs may be awarded only when the procurement officer determines in writing at the time of contract solicitation that the contract promotes overall economy for the purposes intended, encourages competition, is not unduly restrictive, and is in the best interests of AAC;

10) Late Bids; Correction or Withdrawal of Bids; Cancellation of Award, as follows:

(A) bids received after the bid due date and time indicated on the ITB may not be accepted unless the delay was due to an error of AAC;

(B) a bidder may correct or withdraw a bid prior to bid opening by AAC;

(C) after bid opening by AAC, a bidder may only request correction of mistakes obvious from the terms of the bid, and may not otherwise change, withdraw or cancel its bid except as permitted by AAC in its sole discretion;

11) Contract Award After Bids. The procurement officer shall award a contract based on the solicited bids with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set out in the provisions of the ITB.

12) Public Inspection of Bids.

(A) bids are not open for inspection until after the notice of intent to award a contract is given; and

(B) to the extent the bidder or AAC reasonably designates, trade secrets and other proprietary data contained in a bid document are confidential as described in Article 3 of these regulations and are not available for public disclosure.

(b) Multi Step ITB. When the CEO considers it impractical to initially prepare a definitive purchase description to support an award based on price, the procurement officer may issue an ITB requesting the

submission of unpriced technical offers to be followed by an ITB limited to the bidders whose bids are determined to be technically qualified under the criteria set out in the first solicitation.

(c) Request for Proposal (RFP), as follows;

1) The RFP is used to procure (i) non construction-related supplies, services and professional services with an estimated cost greater than \$100,000, and (ii) construction, and construction-related supplies, services and professional services, with an estimated cost greater than \$200,000, that cannot be clearly defined or quantified, therefore requiring a negotiated procurement;

2) an RFP with a Statement of Work (SOW) shall be provided to all providers of such services that are known to AAC from submittals to AAC, source lists obtained from associations, professional organizations, yellow pages, or other sources available to AAC;

3) the terms of each RFP shall be determined by AAC, but the minimum areas to be set forth in an RFP and included in responses are:

(A) the experience the provider has in the requested service area;

(B) a list of clients and scope of similar service provided in the past three years;

(C) a specific outline or plan on how the requested service will be provided;

(D) the time frame required to complete the service; and

(E) the technical and management requirements for the project;

4) before the release of the RFP, selection criteria will be established by which the proposal will be evaluated; the criteria will be tailored for each procurement and will be used as a guide for determining the best product or vendor;

(5) public notice of an RFP shall be given in the manner provided for notice of an ITB in Section 1.030(a)(8).

(6) Disclosure of Proposals; Return of Proposals.

(A) The procurement officer shall open proposals so as to avoid disclosure of contents to competing offerors before notice of intent to award a contract is issued. The proposals are open for public inspection after the notice of intent to award a contract is issued. To the extent the bidder or AAC reasonably designates, trade secrets and other proprietary data contained in a bid document are confidential as described in Article 3 of these regulations and are not available for public disclosure.

(B) If an RFP is cancelled after proposals are received but before a notice of intent to award a contract has been issued, the procurement officer may return a proposal to the offeror that made the proposal.

(7) Late Proposals; Correction or Withdrawal of Proposals.

(A) Unless otherwise provided in the RFP, a proposal, correction, modification, or withdrawal received after the date and time set for receipt of proposals is late, and may not be accepted unless the delay is due to an error of AAC.

(B) A proposal may be corrected, modified, or withdrawn before the time and date set for receipt of proposals.

(8) Evaluation of proposals

- (A) The procurement officer, or a procurement evaluation committee, shall evaluate proposals. The procurement officer may be one of the members on a procurement evaluation committee.
- (B) The evaluation must be based only on the evaluation factors set out in the RFP. The relative importance or weighting value of each evaluation factor shall be set out in the RFP. Numerical rating systems may be used, but are not required.
- (C) For the purposes of evaluating price, the proposed price of an offeror who qualifies as an Alaska bidder under AS 36.30.170(b) shall be reduced by five percent. All other applicable preferences must be applied.

(9) Discussion with Responsible Offerors and Revisions to Proposals. As provided in the RFP, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the RFP requirements. Offerors reasonably susceptible of being selected for award shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and before the award of the contract for the purpose of obtaining best and final offers. In conducting discussions, the procurement officer may not disclose information derived from proposals submitted by competing offerors.

(10) Award of contract. The procurement officer shall award a contract under an RFP to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to AAC taking into consideration price and the evaluation factors set out in the RFP. Other factors and criteria may not be used in the evaluation. The contract file must contain the basis on which the award is made.

Authority: AS 14.40.866
AS 14.40.871

1.040. OTHER METHODS OF PROCUREMENT

(a) Sole Source Procurements, as follows:

- (1) a sole source contract may be awarded for supplies, services, or construction without competitive sealed bidding, competitive sealed proposals, or competition procedures; a sole source contract may be awarded only when there is a determination in writing by the CEO or his designee that there is only one source for the required procurement; a sole source contract may not be awarded if a reasonable alternative source exists;
- (2) AAC shall negotiate with the single supplier, to the extent practicable, to obtain a contract advantageous to AAC;
- (3) procurement requirements may not be artificially divided, fragmented, aggregated or structured to justify a purchase under this section or to circumvent the competitive source selection procedures;

(b) Limited Competition, as follows:

- (1) a decision to restrict a procurement to a limited number of potential contractors will be accompanied by a written determination by the CEO that the full competitive sealed bid or proposal process is impractical or contrary to the public interest;

(2) AAC will conduct negotiations, as appropriate, concerning price, delivery schedules, and terms equally with each potential contractor for a limited competition procurement;

(3) AAC will, in its discretion, advertise before awarding a limited competition procurement contract for the purpose of determining whether there are other sources for the procurement;

(c) Emergency Procurement; as follows:

(1) a procurement will, in AAC's discretion, be made under emergency conditions if;

(A) there exists a threat to public health, safety, or welfare;

(B) a situation exists that makes a procurement through competitive bidding impractical or contrary to the public interest; or

(C) it is necessary to protect private or public property;

(2) reasons for finding that emergency conditions exist include:

(A) economic considerations that preclude routine solicitation;

(B) delays inherent in the normal procurement process;

(C) extreme weather conditions;

(D) equipment failure when the need for timely repair is essential;

(3) the CEO shall make a written determination of emergency, stating in detail the factual basis for the emergency, and for the selection of the particular contractor; the determination shall be maintained in the procurement file;

(d) Small Procurements, as provided in Section 1.045

Authority: AS 14.40.866
AS 14.40.871

1.045. SMALL PROCUREMENTS

(a) AAC may procure supplies, services, professional services or construction that cost no more than \$5,000 after receiving only one quotation or informal proposal from a qualified firm or person.

(b) AAC may procure supplies, services, professional services, or construction estimated to cost no more than \$10,000 using reasonable and adequate procedures and making records that facilitate auditing of the procurement.

(c) The following procedures shall be used to procure supplies, services, professional services, or construction estimated to cost more than \$10,000, but no more than \$50,000:

(1) At least three firms or persons shall be contacted for a quotation or informal proposal. The solicitation may be made orally or in writing and shall include the specifications, the award criteria, the date and time responses are due, and specify whether the response may be made orally or in writing.

(2) The award shall be made in accordance with the specifications and award criteria in the solicitation, and to the responsive and responsible firm or person that submitted the lowest quotation or the informal proposal that is the most advantageous to AAC.

(d) The following procedures shall be used to procure (i) non construction-related supplies, services, or professional services estimated to cost more than \$50,000, but no more than \$100,000; or (ii) construction, or construction-related supplies, services, or professional services, estimated to cost more than \$50,000, but no more than \$200,000:

(1) At least three firms or persons shall be contacted for a written quotation or informal proposal. The solicitation shall be made in writing and shall include the specifications, the award criteria, and the date and time responses are due.

(2) The award shall be made in accordance with the specifications and award criteria in the solicitation, and to the responsive and responsible firm or person that submitted the lowest quotation or the informal proposal that is the most advantageous to AAC. AAC shall provide written notice of the award, including the name of the successful offeror, to each firm or person providing a quotation or informal proposal, and shall describe protest rights under Section 1.070 and the time limitations within which a protest must be received by AAC.

(e) A procurement made under this section shall be solicited from Alaskan vendors, whenever practicable.

(f) AAC may use postings in electronic media to satisfy the competitive solicitation and notice of award requirements in this section. AAC may permit quotes and informal proposals to be submitted in electronic media.

Authority: AS 14.40.866
AS 14.40.871

1.050. CONTRACT FORMATION AND MODIFICATION

(a) Review and Approval by General Counsel. If a contract contains a term that is in conflict with an AAC standard form contract term or if a standard term is deleted or modified by a term that is not standard, the contract must be reviewed and approved by AAC's legal counsel:

(b) Bid Cancellation, Rejection. An ITB, RFP, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part, or the date for opening bids or proposals may be delayed when the CEO determines in the CEO's sole discretion that such action is in the best interests of AAC.

(c) Determination of Responsibility, as follows:

(1) a written determination of responsibility of a bidder or proposer shall be made by AAC; the unreasonable failure of a bidder or proposer to promptly supply information in connection with an inquiry with respect to responsibility is grounds for a determination of non-responsibility with respect to the bidder or proposer;

(2) information furnished by a bidder or proposer under this section is confidential if the bidder or proposer requests it in writing;

(d) Notice of Intent to Award a Contract. At least five days before the formal award of a contract, AAC will provide to each bidder or proposer a written notice of intent to award a contract which shall include a statement of the bidder's or proposer's right to protest and the name of the successful bidder or proposer.

(e) Multi-Term Contracts, as follows;

(1) a contract for supplies, services, or professional services may be entered into for any period of time considered to be in the best interests of AAC provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and funds are available for the first fiscal period at the time of contracting; payment and performance obligations for succeeding fiscal periods shall be subject to the availability of funds;

(2) before using a multi-term contract, the procurement officer shall determine that:

(A) estimated requirements covering the period of the contract are reasonably firm and continuing; and

(B) the contract will serve the best interests of AAC;

(C) when funds are not available to support continuation of performance in a subsequent fiscal period, the contract shall be canceled; the contractor shall only be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies, services, or professional services delivered under the contract that are not otherwise recoverable; the cost of cancellation may be paid from any available funds for these purposes;

(f) Cost or Pricing Data, as follows;

(1) before an award of a contract or a change order or contract modification, the contractor or prospective contractor shall submit cost and pricing data; the contractor or prospective contractor shall certify that, to the best of the contractor's or prospective contractor's knowledge and belief, the data submitted is accurate, complete, and current as of a mutually determined specified date and will continue to be accurate and complete during the performance of the contract;

(2) before performing additional work or supplying additional materials, when a contractor becomes aware of a situation that may form the basis of a claim for compensation that exceeds the amount designated as the base amount of the contract, the contractor shall submit cost and pricing data on the additional work or materials; the contractor shall certify that, to the best of the contractor's knowledge and belief, the data submitted is accurate, complete, and current and is the actual cost to the contractor performing the additional work or supplying the additional materials;

(3) a contract or contract change order must contain a provision that the price to AAC, including the contractor's profit or fee, will be adjusted to exclude any significant sums by which AAC finds that the price is increased because the cost or pricing data furnished by the contractor or prospective contractor is inaccurate, incomplete, or not current as of the date agreed upon by the parties;

(4) the requirements of this subsection do not apply when the contract price is set by the law or regulation;

(g) Right to Inspect Plant. AAC will, in its discretion, at reasonable times, inspect the part of the plant or place of business of a contractor or subcontractor that is related to the performance of a contract awarded or to be awarded by AAC, and all subcontracts under an AAC contract must provide AAC with the right to make such inspections.

(h) Duty to Maintain Records and Right to Audit Records, as follows:

(1) Bids and Proposals, as follows:

(A) all bidders and proposers who have submitted bids or proposals containing pricing or cost data shall maintain for three years from the notice of award of contract by AAC complete books and records relating to such pricing or cost data;

(B) At any time during the period a bidder or proposer is required to maintain books and records by (1)(A) of this subsection, AAC will, in its discretion audit such books and records; AAC shall give at least five days written notice of such audit, which shall be performed by AAC or an agent of AAC during normal business hours;

(2) Contractors, as follows:

(A) unless otherwise provided in a contract with AAC, a person awarded a contract by AAC shall maintain for three years after the date of final payment under the contract complete books and records relating to the person's bid or proposal to AAC and the person's performance and charges to AAC under the contract;

(B) at any time during the period a person awarded a contract by AAC is required to maintain books and records by (2)(A) of this subsection, AAC will, in its discretion audit such books and records. AAC shall give at least five days written notice of such audit, which shall be performed by AAC or an agent of AAC during normal business hours;

(3) Subcontractors, as follows;

(A) unless otherwise provided in a contract with AAC, all permitted subcontracts under a contract with AAC shall require the subcontractor to maintain for three years after the date of final payment under that subcontract complete books and records relating to the subcontractor's bid or proposal and the subcontractor's performance and charges under the subcontract;

(B) at any time during the period a subcontractor is required to maintain books and records by section (3)(A) of this subsection. AAC will, in its discretion, audit such books and records. AAC shall give at least five days written notice of such audit, which shall be performed by AAC or an agent of AAC during normal business hours

(i) Standard Modification Clauses for Contracts, as follows:

(1) AAC shall establish standard modification clauses including:

(A) liquidated damages;

(B) specified excuses for delay or non-performance;

(C) termination of the contract for default;

(D) termination of the contract in whole or in part for the convenience of AAC

(j) Performance and Payment Bond. AAC has the right to request performance and payment bonds and other performance guarantees under contracts with AAC.

(k) Modification of Standard Clauses. AAC will, in its discretion vary, at its discretion, its standard contract clauses by approval of the CEO based upon a written determination stating the reasons for the variation.

(l) Fiscal Responsibility. A contract modification, change order, or contract price adjustment under a contract is subject to prior written certification by the CEO concerning the effect of the contract modification, change order, or adjustment in contract price on the total project budget or the total contract budget. If the certification discloses a resulting increase in the total project budget or the total contract budget, the CEO may not approve the contract modification, change order, or adjustment in contract price unless sufficient funds are available, or the scope of the project or contract is appropriately adjusted in the sole discretion of the CEO; a contract modification change order, or adjustment in contract that is signed by both parties and has been reasonably relied on by a contractor, is presumed to be valid even if the provisions of this section have not been met.

Authority: AS 14.40.866

1.055. ALASKA BIDDER PREFERENCE

Notwithstanding any other provision of these Regulations, the procurement officer shall award a contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent has been applied. In this Section, "Alaska bidder" means a person who

- (a) holds a current Alaska business license;
- (b) submits a bid for goods, services, or construction under the name as appearing on the person's current Alaska business license;
- (c) has maintained a place of business within the state staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid;
- (d) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and
- (e) if a joint venture, is composed entirely of ventures that qualify under (a)--(d) of this subsection.

Authority: AS 14.40.866
AS 14.40.871

1.060. PROCUREMENT RECORDS AND REPORTS

Retention of Procurement Records.

- (a) Procurement records shall be retained by AAC for three years following the completion of the contract.
- (b) Records of Contracts Awarded Under Competitive Sealed Proposals. A contract file shall be kept by AAC for each contract awarded under competitive sealed proposals. The file shall contain:
 - (1) A copy of the contract;
 - (2) The register of proposals prepared and a copy of each proposal submitted; and
 - (3) the written determination to award the contract;
- (c) Records of Sole Source and Emergency Procurements. AAC shall maintain for five years a record listing all sole source procurement contracts and emergency procurements. The record must contain:
 - (1) each contractor's name;
 - (2) the amount and type of each contract; and
 - (3) a listing of the supplies, services, professional services, or construction procured under each contract. and
 - (4) written justification for the sole source procurement.

Authority: AS 14.40.866
AS 14.40.871

1.070. PROTESTS AND CONTROVERSIES

(a) An interested party may protest the award of a contract, the proposed award of a contract, or a solicitation for supplies, services, construction, space leases, or professional services by the corporation. The protest must be in writing and must include at least the following information:

- (1) the name, address, and telephone number of the protester;
- (2) the signature of the protester or the protester's designated representative;
- (3) identification of the solicitation or contract at issue;
- (4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and
- (5) the form of relief requested.

(b) A protest based on alleged improprieties in an award of a contract or a proposed award of a contract must be received by AAC within five days after a notice of intent to award is issued by AAC. If the protester shows good cause, the procurement officer will, in that officer's discretion, consider a filed protest that is not submitted in a timely manner.

(c) The procurement officer will immediately give notice of a protest to the contractor if a contract has been awarded, or if no award has been awarded, to all interested parties.

(d) Within 10 days after a protest is filed, the CEO will issue a written decision containing the basis of the decision concerning the protest. A copy of the decision will be furnished to the protester by certified mail or by other means that provide evidence of delivery.

(e) A written appeal from a protest decision must be received by the chair of the board, care of AAC, within five days after the decision is received by the protester and must include the following information:

- (1) a copy the decision being appealed; and
- (2) identification of the factual or legal errors in the decision that form the basis for appeal;

(f) The AAC Board or Directors will issue a final decision on an appeal within 90 days of receipt of the appeal.

Authority: AS 14.40.866
AS 14.40.871

1.080. TYPES OF CONTRACTS

AAC will use the same type of contracts that are outlined in the Federal Acquisition Regulations 48 C.F.R. 1.16. Some common types are firm fixed price, fixed price variations, cost plus types, and award fee.

Authority: AS 14.40.866
AS 14.40.871

1.090. CONTRACT APPROVAL

(a) The CEO shall approve all contracts:

- (1) for non construction-related supplies, service or professional services in an amount not exceeding \$100,000;

(2) for construction, or for construction related supplies, services or professional services, in an amount not exceeding \$200,000; and

(3) for supplies, services, professional services or construction, where the entire amount that is payable under the contract is subject to reimbursement by a launch customer under a contract between AAC and the launch customer that has been approved by the board.

(b) Board approval is required for all contracts not described in subsection (a).

(c) For the purposes of this section,

(1) AAC will, in its discretion, enter into an agreement on all standard terms with a contractor and negotiate separate notices to proceed with that contractor for each service or product to be provided by such contractor, including without limitation a description of the services or products to be provided and the costs and expenses under such notice to proceed; each notice to proceed shall be considered a separate contract;

(2) the CEO shall have the right to approve contracts for legal services which provide that AAC will be billed by the hour under terms that the CEO determines are appropriate and in the best interests of AAC.

Authority: AS 14.40.866
AS 14.40.871

1.100. STATE CONTRACTS

The state approves and publishes state contracts from under which all state agencies are required to purchase. These cover most of the commonly used items in everyday office operations. Because of its quasi-independent status, AAC is authorized, but not required, to use state contracts. AAC will procure commodities from vendors not under these state contracts if those commodities are available at more favorable prices or service terms.

Authority: AS 14.40.866
AS 14.40.871

1.110. INTERGOVERNMENTAL CONTRACTS

AAC will, at its discretion, utilize other state agencies' and entities' contracts or planned contracts.

Authority: AS 14.40.866
AS 14.40.871

1.115. FEDERAL FUNDING

If a procurement involves the expenditure of federal funds or federal assistance and there is a conflict between a provision of this Article and a federal statute, regulation, policy or requirement, the federal statute, regulation, policy or requirement shall prevail.

Authority: AS 14.40.866
AS 14.40.871

1.120. USE OF FEDERAL GENERAL SERVICES ADMINISTRATION CONTRACTS

AAC may, in its discretion, purchase through the General Services Administration or from federal supply schedules of the General Services Administration without competitive sealed bidding, competitive sealed proposals, or other competition, provided that when making or planning such a purchase, AAC

- (1) shall review the scheduled price lists that are reasonably available when purchasing through the General Services Administration or from federal supply schedules;
- (2) shall place the order with the schedule contractor offering the lowest delivered price unless the purchase is made under (3) of this section; and
- (3) may order an item that has a greater price than the lowest delivered price but only if the CEO makes a written determination that only the higher priced item will satisfy AAC' s needs.

Authority: AS 14.40.866
AS 14.40.871

1.125. PROPERTY MANAGEMENT

AAC shall manage property in its control, regardless of ownership, in accordance with contractual requirements, industry leading practices, voluntary consensus standards, and continuous process improvement. AAC shall perform comprehensive self-assessments at regular intervals and shall operate to performance-based standards. Sites will modify their specific property policies/procedures with respect to the FAR clauses or other applicable guidance in effect for their specific contracts.

AAC shall provide best value to its customers by optimizing process value streams. The value streams shall include processes and practices that maximize value while minimizing waste. Best value includes:

- (1) providing reliable financial data.
- (2) using property effectively and efficiently
- (3) utilizing a highly trained, skilled, and knowledgeable property management workforce that uses good business practice in making decisions while directing and completing the work in compliance with contracts.
- (4) assigning responsibility for property accountability down to the user level.

Authority: AS 14.40.866
AS 14.40.871

ARTICLE 2. INVESTMENT REGULATIONS

1.130. POLICY ON INVESTMENT.

It is the policy of AAC to consider all requests for the investment of AAC funds in aerospace ventures that comply with the requirements of this chapter. However, because of the purpose of AAC set out in AS .14.40.861, the breadth of activities necessary to fulfill that purpose and the limited funds available to AAC, the board has the unlimited right to reject any investment proposal, even if it otherwise complies with this chapter. Nothing in this chapter obligates AAC to any investment whatsoever; that decision must be made by the board in light of all of the factors relating to AAC at the time an investment is considered, including without limitation the funding available to

AAC then and in the future, the previous aerospace ventures funded by AAC, the activities of AAC then ongoing and planned for the future, and the particular needs of AAC and the state.

Authority: AS 14.40.866
AS 14.40.871

1.140. SUBMISSION OF INVESTMENT PROPOSALS

An investment proposal shall be submitted in writing to the CEO of AAC as follows:

- (1) the proposal shall be typed and all pages shall be numbered;
- (2) materials to be kept confidential under AS 14.40.881 must be clearly marked, and any information in a proposal not marked as confidential will be deemed to be public information;
- (3) the proposal shall contain a summary of not more than two pages that does not contain any confidential information, and shall contain a complete description of the aerospace venture for which funding is sought, the proposed funding terms, and the proposed use of funds should AAC accept the proposal; a business plan which satisfies this subsection may be submitted as an investment proposal if it is accompanied by a cover letter addressed to the CEO explaining the nature of the proposal.

Authority: AS 14.40.866
AS 14.40.871

1.150. CONSIDERATION OF INVESTMENT PROPOSALS

Upon receipt of an investment proposal satisfying the requirements of 1.130, the CEO shall conduct a due diligence investigation of the investment proposal, as follows:

- (1) the CEO shall first determine the technological feasibility of the aerospace venture; if the CEO determines that the aerospace venture is not technologically feasible, the CEO has the discretion to terminate the investigation at that point or to continue further investigation;
- (2) the CEO shall then make an evaluation of the benefits of the aerospace venture to the state, and the extent to which an investment in the aerospace venture will further the purpose of AAC set out in AS 14.40.861;
- (3) the CEO shall then conduct a thorough investigation of the aerospace venture, all parties involved in the aerospace venture, the technology involved in the aerospace venture, and the terms of the investment proposal;
- (4) the CEO shall negotiate the terms of the investment proposal in the best interests of AAC, and shall prepare a term sheet of those terms;
- (5) the CEO shall hire such advisors as the CEO deems necessary or appropriate to assist in the due diligence investigation;
- (6) the CEO may request additional information from the proposer regarding the investment proposal or the aerospace venture, and until such information is provided, the due diligence investigation shall not be complete; if such information is not provided within a reasonable time after the request by the CEO, the investment proposal shall be deemed withdrawn and no further action shall be taken on that investment proposal.

Authority AS 14.40.866

AS 14.40.871

1.160. BOARD APPROVAL

- (a) Upon completion of the CEO's due diligence investigation, the CEO shall present the investment proposal and the results of his investigation to the board.
- (b) The board will, in its discretion, request additional information from the CEO or from any other source, and will, in its discretion, delay voting upon the investment proposal until such additional information has been obtained.
- (c) When the board has obtained all the information it deems necessary or appropriate to consider regarding the investment proposal, the board shall vote to approve or deny the investment proposal. The board shall have the right to condition its approval of the investment proposal in any way whatsoever, including without limitation the modification of the terms of the investment proposal.
- (d) The vote of the board whether to approve an investment proposal is within the sole discretion of the board, and the members of the board voting upon an investment proposal are not required to state their reasons for casting their vote.

Authority: AS 14.40.866
AS 14.40.871

1.170. FORM OF INVESTMENT

In order to achieve its purpose, to the extent permitted under relevant state and federal laws, AAC shall have the right to invest in aerospace ventures in any legal form.

Authority: AS 14.40.866
AS 14.40.871

ARTICLE 3. PUBLIC DISCLOSURE OF INFORMATION

1.180. GENERAL.

The corporation is a public agency of the State of Alaska, whose records are subject to public inspection and copying during regular business hours to the extent required by AS 40.25.110 – 40.25.220.

Authority: AS 14.40.866
AS 14.40.871

1.190. PROCEDURE.

The procedures for requesting to inspect or copy a record in the possession of the corporation are set forth in 6 AAC 96.100 – 6 AAC 96.900.

Authority: AS 14.40.866
AS 14.40.871

1.200. COPIES AND FEES.

- (a) The CEO from time to time shall prescribe in writing the standard unit charge for copies of corporation records.
- (b) The fee to search for and duplicate a corporation record shall consist of
 - (1) actual costs for copying the record in the requested format, including costs for paper, tapes, microfiche, disks or other media;
 - (2) costs incurred by the corporation to duplicate the record, including computer processing time; and
 - (3) salary and benefits costs for the employees performing the work, including computer programming work required to extract or copy the records, as set out in AS 40.25.110.

Authority: AS 14.40.866
AS 14.40.871

1.210. LIMITATIONS ON PUBLIC ACCESS.

- (a) Public access to records of the corporation is limited as provided in AS 40.25.120. Without limiting the generality of the foregoing, information in records of the corporation whether stored in paper or electronic form (including without limitation email and text messages), is not available for public inspection or copying to the extent that disclosure of the information:
 - (a) is prohibited by federal law, including without limitation any executive order classifying information for national security purposes;
 - (b) is prohibited by state law;
 - (c) is a trade secret or other proprietary information whose confidentiality the corporation must maintain under AS 14.40.881; or
 - (d) would constitute the unwarranted invasion of privacy of an individual.

Authority: AS 14.40.866
AS 14.40.871

1.220. TRADE SECRETS AND OTHER PROPRIETARY INFORMATION.

The purpose of this section is to implement AS 14.40.881, which requires the corporation to maintain the confidentiality of trade secrets or other proprietary information.

- (a) In this section, “confidential information” means information that is supplied or developed for purposes related to AS 14.40.821 -- 14.40.990, including without limitation any trade secrets or proprietary information relating to products, processes, know-how, designs, formulas, methods, developmental or experimental work, improvements, discoveries, plans for research, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers, and:
 - (1) supplied to the corporation by another person or entity and designated by that person or entity as a trade secret, proprietary or confidential, including without limitation where such designation is made pursuant to a confidentiality agreement between the corporation and such other person or entity; or

(2) designated by the corporation as confidential, and whose disclosure may adversely affect the corporation's business or strategy development, or otherwise compromise its competitive market position.

(b) All confidential information shall be held in strict confidence by the corporation, and the corporation shall not, without the prior written consent of the supplier of the information, (i) disclose such information to any person or entity other than to the corporation's employees or contractors legally bound to maintain the confidentiality of such information and having a need to know such information in connection with the corporation's purposes under AS 14.40.821 – 14.40.990, or (ii) use such information other than in connection with the corporation's purposes under AS 14.40.821 – 14.40.990.

(c) Notwithstanding (a) or (b) of this section, confidential information shall not include information that:

(1) is now, or hereafter becomes, through no act or failure to act on the part of the corporation, generally known or available or otherwise part of the public domain;

(2) is rightfully known by the corporation without restriction on use prior to its first receipt of such information from the supplying party as evidenced by its records;

(3) is hereafter furnished to the corporation by a third party authorized to furnish the information to the corporation, as a matter of right and without restriction on disclosure; or

(4) is the subject of a written permission by the supplying party to disclose.

(d) Notwithstanding (a) or (b) of this section, disclosure of confidential information shall not be precluded if:

(1) such disclosure is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; provided, however, that the corporation shall first have given notice of such order to the supplier of the information;

(2) such disclosure is necessary to establish rights or enforce obligations under a contract between the corporation and the supplier of the information, but only to the extent that any such disclosure is necessary for such purpose; or

(3) the corporation received the prior written consent to such disclosure from the supplier of the information, but only to the extent permitted in such consent.

(e) If any provision of this section is deemed unenforceable in whole or part as to any record in the possession of the corporation, such provision shall be limited to the extent necessary to render the same valid, and this section shall be construed and applied as if such provision had been so limited.

Authority AS 14.40.866
AS 14.40.881

1.990. DEFINITIONS

In this chapter

(1) "AAC" means the Alaska Aerospace Corporation;

(2) "aerospace venture" means any corporation, institution, joint venture, or other entity whose operations, goals or purpose relate to AAC's purpose set out in AS 14.40.861;

(3) "Board" means the board of directors of AAC;

(4) "investment proposal" means any written request submitted to AAC under this chapter requesting the funding of an aerospace venture by AAC;

(5) "procurement officer" means the AAC employee responsible for AAC's procurement activities under 1.010 - 1.120 who shall be the CEO of AAC or an employee of AAC to whom the CEO has delegated AAC procurement responsibilities for a particular contract or for all AAC contracting activities.

Authority: AS 14.40.866
AS 14.40.871