



# ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY & ALASKA ENERGY AUTHORITY REQUEST FOR PROPOSALS

## Investment Advisory Services RFP 20014

ISSUED September 18, 2019

The purpose of this RFP is to award a contract to a consultant that will provide the Authority (AIDEA/AEA) with ongoing evaluation of investment policy, strategies, procedures, and asset allocations; monitor and evaluate performance of three (3) investment portfolios; assist with portfolio manager selection, monitoring, and evaluation; and other investment related projects as assigned.

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ISSUED BY:

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT  
AUTHORITY (AIDEA) & ALASKA ENERGY  
AUTHORITY (AEA)

PRIMARY CONTACT:

Jake Tibbe  
CONTRACTING OFFICER  
[JTIBBE@AIDEA.ORG](mailto:JTIBBE@AIDEA.ORG)

(907) 771-3990

OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.

**IMPORTANT NOTICE:** If you downloaded this solicitation from the SOA or AIDEA/AEA Websites, you must register on the online planholders list to receive subsequent addenda. Failure to register may adversely affect your proposal. It is the Offeror's responsibility to ensure that they have received all addenda affecting this RFP. To register, go to <http://www.aideaaeprocmurement.org/> and provide the project name & number, company name & contact person, address, phone number & fax number.

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## SECTION 1. INTRODUCTION & INSTRUCTIONS

### SEC. 1.01 PURPOSE OF THE RFP

The purpose of this RFP is to award a contract to a consultant that will provide the Authority (AIDEA/AEA) with ongoing evaluation of investment policy, strategies, procedures, and asset allocations; monitor and evaluate performance of three (3) investment portfolios; assist with portfolio manager selection, monitoring, and evaluation; and other investment related projects as assigned.

- Any Offeror or Offeror's affiliates involved in providing money management services cannot provide money management services to AIDEA or AEA during the term of the contract.
- The Offeror shall not be a securities dealer, brokerage firm, or otherwise offer securities for sale to institutional customers in the normal course of business.
- The Offeror or its affiliates must not require money managers to purchase services from them to be included in manager searches.
- The Offeror must utilize a proprietary database for universe comparison analysis and the contractor's return calculations must conform to the Global Investment Performance Standards (GIPS).
- Offerors must be willing to travel to Alaska on an as-needed basis to be determined by the Authority.

**An offeror's failure to meet these minimum prior experience requirements may cause their proposal to be considered non-responsive and their proposal may be rejected.**

### SEC. 1.02 BUDGET

AIDEA estimates that the total budget not to exceed amount (including all possible renewal options) is not to exceed a total contract authorization amount of \$900,000.00. The contract has an initial term for two (2) years, with three (3) additional two-year renewal options. The Authority makes no guarantee to any minimum or maximum amount of work that the contractor may perform under this contract or any subsequent renewal options exercised and is limited to the lawful appropriations for each fiscal year. The Authority shall issue orders and NTPs to authorize work against the contract. Contract may be extended for additional years to complete existing work. Contract may be extended on a Month-to-Month basis after expiration, to avoid a lapse in services. Proposals priced at more than **\$112,500.00 per year** may be considered non-responsive.

### SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than **3:00 PM** prevailing Alaska Time on **October 9, 2019**. Late proposals or amendments will be disqualified and not opened or accepted for evaluation.

### SEC. 1.04 MINIMUM PRIOR EXPERIENCE REQUIREMENTS

- The Offeror must be providing investment advisory services to public fund clients at the time of proposal.

- Offeror's interested in responding to this request must be registered as investment advisers under the 1940 Investment Advisers Act.

### SEC. 1.05 REQUIRED REVIEW

Offeror's should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the contracting officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the contracting officer, in writing, at least ten days before the deadline for receipt of proposals.

### SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the contracting officer. The interested party must confirm telephone conversations in writing.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The contracting officer will make that decision. **No further question will be allowed after October 1, 2019 at 4:00 pm Alaska prevailing time.**

CONTRACTING OFFICER: Jake Tibbe – PHONE 907-771-3990 - FAX 907-771-3044

### SEC. 1.07 RETURN INSTRUCTIONS

Offerors must submit one hard copy of their proposal, in writing, and one electronic copy, to the contracting officer in a sealed package. **The cost proposal included with the package must be sealed separately from the rest of the proposal and must be clearly identified.** The sealed proposal package(s) must be addressed as follows:

Alaska Industrial Development and Export Authority

Attention: Jake Tibbe

Request for Proposal (RFP) Number: **20014**

RFP Title: **Investment Advisory Services**

813 West Northern Lights Blvd.

Anchorage, AK 99503

If using U.S. mail, please use the following address:

813 West Northern Lights Blvd.

Anchorage, AK 99503

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## SEC. 1.08 PROPOSAL CONTENTS

The following information must be included in all proposals.

### (a) MINIMUM PRIOR EXPERIENCE REQUIREMENTS

All proposals must provide how they meet the minimum Requirements Section 1.04. An offeror's failure to meet the minimum prior experience requirements may cause their proposal to be considered non-responsive and their proposal may be rejected.

### (b) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

### (c) OFFEROR'S CERTIFICATION

By signature on the proposal, offerors certify that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- E. all terms and conditions set out in this RFP;
- F. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- G. that the offers will remain open and valid for at least 90 days; and
- H. that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, the Authority reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

### (d) VENDOR TAX ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the Authority's request.

### (e) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The Executive Director reserves the right to **consider a proposal non-responsive and reject it or** cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the offeror. The Executive Director's determination regarding any questions of conflict of interest shall be final.

### (f) FEDERAL REQUIREMENTS

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

(g) BID BOND - PERFORMANCE BOND - SURETY DEPOSIT

***Bid Bond***

N/A

***Performance Bond***

N/A

***Surety Deposit***

N/A

## SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the contracting officer no later than ten days prior to the deadline for receipt of proposals.

## SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the Authority's request in accordance with 2 AAC 12.290.

## SEC. 1.11 AMENDMENTS TO THE RFP

If an amendment is issued, it will be provided to those who have registered on the AIDEA website <http://www.aideaaaprocurement.org/>.

## SEC. 1.12 RFP SCHEDULE

The RFP schedule set out herein represents the Authority's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted by the same number of days.

- Issue RFP **SEPTEMBER 18, 2019**
- Deadline for Questions **OCTOBER 1, 2019**
- Deadline for Receipt of Proposals **OCTOBER 9, 2019 3PM**

- Proposer Evaluation of Proposals on **OCTOBER 14, 2019**
- Notice of Intent to Award a Contract **OCTOBER 16, 2019**
- Issues contract **OCTOBER 28, 2019**
- Contract start **NOVEMBER 1, 2019**

This RFP does not, by itself, obligate the Authority. The Authority's obligation will commence when the Executive Directors of Alaska Industrial Development and Export Authority and Alaska Energy Authority, or the Executive Director's designee approves the contract. Upon written notice to the contractor, the Authority may set a different starting date for the contract. The Authority will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the Authority.

### **SEC. 1.13 PRE-PROPOSAL CONFERENCE**

A pre-proposal conference will not be held for this solicitation. See Section 1.06 for instructions on submitting questions regarding this RFP.

### **SEC. 1.14 ALTERNATE PROPOSALS**

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

### **SEC. 1.15 NEWS RELEASES**

News releases related to this RFP will not be made without prior approval of the project manager.



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## SECTION 2. BACKGROUND INFORMATION

### SEC. 2.01 BACKGROUND INFORMATION

#### **AIDEA**

The Alaska Industrial Development and Export Authority (AIDEA) is a public corporation of the State of Alaska, with a separate legal existence. The main office is currently at 813 West Northern Lights, in Anchorage, AK 99503.

The Authority's primary mission is to promote, develop and advance economic growth and diversification in Alaska by providing various means of financing and investment. It does this through a number of programs including loan participation, development projects, and other programs.

Through AIDEA's Project and Infrastructure Development programs, the Authority has an active role in supporting economic diversity, job creation, and resource development. Examples of projects eligible for the Project Development program include industrial and resource development facilities, sea-ports, airports, federal facilities, community public purpose, and communications essential for regional economic well-being. The Infrastructure Development program includes private use industrial roads, energy inter-connection systems, port and rail-route expansion, and energy infrastructure.

AIDEA's board serves as the board of AEA. The Authority also shares facilities and staff. However, the two Authorities are separate and distinct legal entities. All assets of both Authorities must be kept separate and cannot be co-mingled with the assets of the other Authority.

To know more about AIDEA business practices Offerors should review the AIDEA website. <http://www.aidea.org>

#### **AEA**

The Alaska Energy Authority (AEA) is a public corporation of the State of Alaska (State) within the Department of Commerce, Community, and Economic Development (DCCED), but with a separate and independent legal existence. AEA's Mission and Authority: The primary mission of AEA is to reduce the cost of energy in Alaska. Under current statute, AEA has the general powers necessary to own and operate power production and transmission facilities throughout the state, but AEA is not empowered to purchase or construct new facilities to be owned by AEA, with the exception of the Susitna-Watana hydroelectric project. In addition to its power facilities, AEA works towards reducing energy costs through its rural energy and energy development programs.

AEA manages the following projects and programs: owned hydroelectric and intertie projects; rural energy programs; and energy development programs. AEA's programs are funded primarily by the State, federal grants, investment income, and utility companies – for use of AEA owned assets, and by other sources.

The rural energy programs include Bulk Fuel Storage Upgrades, Rural Power System Upgrades, Power Cost Equalization (PCE), Utility Training and Technical Assistance, and a loan program funded from the Power Project Fund.

The energy development programs include the Renewable Energy Grants Fund and Recommendation Program, Alternative Energy and Energy Efficiency Programs, and the Emerging Energy Technology Fund Grant Program.

To know more about AEA business practices Offerors should review the AIDEA website. <http://www.akenergyauthority.org>

Interested Offerors should review the following documents available through the AIDEA and AEA websites. <http://www.aidea.org> and <http://www.akenergyauthority.org>

- AIDEA Annual Report 2018 <http://www.aidea.org/Portals/0/Annual%20Reports/2018AIDEAAnnualReport.pdf>
- AEA Audited Financial Statements <http://www.alaskaenergyauthority.org/Portals/0/Publications/2018%20Annual%20Financial%20Statement.pdf>
- AIDEA Audited Financial Statements <http://www.aidea.org/Portals/0/Financials/Fs18aidea.pdf>
- Programs and Projects throughout each web site.

### **AIDEA and AEA’s Current Account Information**

AIDEA has the investment powers and duties established in AS 37.10.071. AIDEA’s investment policy is **Attachment 1**, additional information can be found in the notes to the financial statements. AIDEA also contracts with two outside investment managers to invest on AIDEA’s behalf. The investment manager’s role is to enhance return and they therefore actively trade investments. The manager’s investment scope includes corporate securities. (**Attachment 2** is a copy of June 30, 2019 Investment Manager Report)

AEA currently follows the same investment policy for its internally managed investments. AIDEA staff invests in U.S. Treasury and Agency securities and GSEs and generally holds investments to maturity.

### **Investment Portfolios**

AIDEA’s programs are substantially financed through its Revolving Fund. The Revolving Fund substantially includes three investment portfolios. AIDEA manages one of the portfolios for liquidity. AIDEA retains the services of two investment firms to actively manage the other two portfolios for enhanced return and safety. The fair value of the funds’ portfolio, as of June 30, 2019, are listed below.

Key Trust (Key) is the custodian for the investment portfolios to be reviewed under the contract resulting from this RFP. Key performs all investment safekeeping activities in addition to providing daily cash equivalents and investment activity recaps and c monthly statements on the activities of the portfolios.

The June 30, 2019 balances are:

Enterprise Development (internally managed)	\$99,020,044
Alaska Permanent Capital Management (outside money managed)	\$198,582,151
Barrow, Hanley, Mewhinney & Strauss (outside money managed)	\$202,093,025

### **Current Contract:**

Callan and Associates of Denver, Colorado have the current contract with AIDEA for these services.

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## SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

### SEC. 3.01 SCOPE OF WORK

The Alaska Industrial Development and Export Authority (AIDEA) is soliciting detailed proposals from consultants interested in providing an initial and ongoing evaluation of AIDEA's investment policy, strategies, procedures and asset allocations; monitoring and evaluation of performance of three (3) investment portfolios; assistance with portfolio manager selection, monitoring, and evaluation and other investment related projects as requested. Selected services may also be provided to the Alaska Energy Authority (AEA) during the contract term.

Under the scope of services, there are two levels of services required. 1) The routine service, which will be compensated based on a fixed quarterly fee and will include periodic advice related to investment portfolio issues, and 2) one time services, which will be compensated based on an agreed upon scope and contract fee structure.

In performing all tasks, the contractor will carry out the duties in accordance with AIDEA's investment policy, strategies, procedures, and asset allocation methodologies.

### SEC. 3.02 DELIVERABLES/TASKS

#### **Routine Tasks**

Routine tasks are those tasks that are on-going and the contractor will be required to perform on a routine basis. Compensation for these tasks will be based on a fixed quarterly fee for the term of the contract.

#### **Monitor Investment Policy Strategies, Procedures, and Asset Allocation**

The contractor will be required to monitor and keep current on AIDEA's investment policy, strategies, procedures, asset allocations, and identify and respond to issues and opportunities that may be available for AIDEA during the term of this contract. At a minimum this work is expected to include staying current on market trends and providing advice to AIDEA staff as questions or issues arise. This work is anticipated to be conducted over the phone, via email or in informal meetings and is not anticipated to require a substantial amount of work on issues in a quarter.

Possible routine tasks may involve but not limited to:

- Reporting to AIDEA, as requested, on current developments in the financial markets, money management, or other investment-related topics.
- Ongoing evaluation of AIDEA's outside manager's compliance with AIDEA's investment policy and performance.
- General investment advice as requested.
- Providing oral presentations to the board, in person once per year, and by teleconference as requested.
- Providing advice and assistance in determining an appropriate short-term investment vehicle, including review of the proposed agreement.
- Advice relating to manager policy exception requests.

#### **Performance Measurement**

The contractor will review AIDEA's portfolios against AIDEA's performance standards as set out in the Investment Policy,

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which may be updated from time to time.

The contractor will perform return calculations. The contractor's return calculations must conform to the Global Investment Performance Standards GIPS. The investment policy allows non-us dollar denominated obligations although AIDEA has not invested in these types of investments to date.

At least quarterly (and by 60 days after quarter end), the contractor will prepare a report including time-weighted annual and cumulative (annualized) rates of return of all the portfolios separately and in total as compared to the performance standards. The rates of return will be presented in tables and graphs, with accompanying narrative as needed.

The report should also include (if applicable) attribution analysis; market sensitivity analysis; measures of diversification, capital ratios, price-earnings ratios, turnover; comparisons by style of manager and other comparisons or information that is relevant to the particular manager. The contractor will deliver one electronic PDF version and twenty-five bound copies of the report to AIDEA.

### **Special Project Tasks**

Special project tasks are defined as those tasks that may require more in-depth research and a more thorough response from the contractor. (IE more than 10 hours per task.) Samples of such tasks may include but not be limited to:

- Suggesting or drafting changes to AIDEA's investment policy, strategies, procedures or asset allocations, including expanding allowable investments to include non-us dollar denominated obligations.
- Providing a detailed analysis of a specific investment opportunity that is made available to AIDEA may consider.
- Developing and making in-person presentations on non-routine topics or issues for the purpose of educating staff, the board, or the legislature.
- Assisting with Investment Manager Solicitation, Evaluation, and Selection.
- Review of a draft Investment Policy for AEA, which will be based on AIDEA's internally, managed guidelines.

Compensation for these tasks will be made in accordance with the schedules identified in the contract and a not-to-exceed cost for completing the task.

### **Special Project Tasks - The Work Order Process**

Fees for special project tasks will be negotiated as either a fixed price or time and expenses work order based on the contract rates. All work orders will be capped with a not-to exceed price. It is the Authority's intent to follow a process that will provide for a cost effective and efficient means to accomplish the work required.

The Authority's will use the following work order assignment process for one time Tasks:

1. The Authority will submit a request to the contractor by e-mail or phone describing the task(s) to be completed. Each request will:
  - a. Identify the tasks to be completed.
  - b. Identify anticipated deliverables.
  - c. Provide a deadline for completion of the task(s).
  - d. Provide a deadline for submission of the work order proposal.
2. Within the time frame identified in the work order request, the contractor will provide a written (e-mail may be sufficient) proposal that includes:
  - a. Concurrence with the plan and deliverables or an alternate plan and deliverables.
  - b. Estimated time involvement of key individuals.
  - c. A list of any proposed subcontractors and the work they will be doing.

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- d. A proposed work schedule identifying any critical decision points and expectations the contractor may have for the Authority for review or participation.
  - e. A cost proposal to complete the work order that includes estimates of all labor, transportation, materials, and expenses to complete the project.
  - f. A fixed cost price or an estimated not-to-exceed price based on the number of hours for the project as proposed.
3. Upon receipt of the proposal the Authority will review the proposal with the contractor and either accept the proposal as offered or negotiate as needed to assure a mutual understanding of the work requested and resources needed to accomplish the necessary tasks.
  4. The final work order scope, terms, schedule, and cost will be agreed to in writing by both parties and the Authority will issue a written Notice to Proceed (NTP) with the work by fax or e-mail.

### **Other Considerations**

1. The contractor will be compensated at a fixed price for the routine services provided on a quarterly basis. The price for routine tasks will remain firm for the initial 2-year period of the contract. Prices for routine tasks and labor rates for special projects may be adjusted at the time the contract is renewed if the contractor requests a price adjustment 30 days prior to the anticipated renewal date. Costs for any increase in routine services or change in contract rates is subject to negotiation, however it will not exceed 3% of the contract price at the time of renewal.

The Authority and Contractor agree that any substantial change in in the amount of funds being managed, (an increase or decrease of greater than 25%), may be a reason for negotiating a change in the fixed price for routine services beyond the 3% limit discussed above.

2. For special projects tasks, the contractor will be compensated in accordance with the negotiated work order. Labor will be proposed at rates established in the contract plus direct expenses.
3. The contract is expected to run for initial term of two (2) years, with three (3) two-year renewal options. Total period including renewals could be 8 years.
4. The Authority and the contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.
5. Notification time periods for special projects work orders may vary from 24 hours to several weeks, depending on the nature and complexity of work required.
6. Subcontractors may be used by the contractor subject to Authority approval. The contractor must submit the subcontractor's company name, names of key participants with resumes, address, phone, fax, email and a copy of the subcontractor's Alaska business license, as required, with each work order.

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7. The contractor may be required to provide a detailed description of the subcontractor's work in response to a work order and copies of agreements between the subcontractor and the contractor.

## Notice to Proceed

NTPs will typically not be issued for routine work performed under this contract and covered by the annual fixed fee. If issued, the overall cost for each NTP will be negotiated as either a fixed price or time and expenses NTP based on the contract rates. All NTP's will be capped with a not-to exceed price.

The Authorities will use the following NTP process:

1. The Authority will submit a request to the Contractor by e-mail or phone describing the deliverable(s) to be completed.

Each request will:

- a. Identify the deliverable (s) to be completed.
  - b. Identify anticipated deliverables.
  - c. Provide a deadline for completion of the deliverable(s).
2. Within the period identified in the NTP request, the Contractor shall provide a written (e-mail may be sufficient) proposal that includes:
    - a. Concurrence with the plan and deliverables or an alternate plan and deliverables.
    - b. Estimated time involvement of primary individual and identify if additional staff will be required to complete work as requested.
    - c. An hourly rates for all key staff personnel and sub-contractors who may be assigned to work on projects issued by the Authority under any resulting contract, in addition to the requested fee work sheet in the cost proposal format.
    - d. A proposed work schedule identifying any critical decision points and expectations the Contractor may have for the Authority for review or participation.
    - e. A cost proposal to complete the NTP that includes estimates of all labor, transportation, materials, and expenses to complete the project.
    - f. A fixed cost price or an estimated not-to-exceed price based on the number of hours for the project as proposed.
  3. If travel is required, the contractor will include in their price proposal: transportation, lodging, and per diem costs sufficient to pay for one (1) person(s) to travel when requested. The Authority will inform the contractor when and where they will need to travel. Contractor on travel status will be compensated for food and lodging expenses in accordance with the State of Alaska Admin Manual for Travel (AAM 60 <http://doa.alaska.gov/dof/travel/index.html>)
    - Regular coach air fare;
    - Lodging and meals normally paid to Alaska State Employees (General Government Unit) on travel status per Alaska AAM 60.
  4. If the Contractor determines they cannot complete the work on their own; a discussion with the Authority's staff to determine steps forward.

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5. Upon receipt of the proposal the Authority will review the proposal with the Contractor and either accept the proposal as offered or negotiate as needed to assure a mutual understanding of the deliverables requested and resources needed to accomplish the necessary NTP(s).
  6. The final NTP (s) scope, terms, schedule, and cost will be agreed to in writing by both parties and the Authorities will issue a written Notice to Proceed (NTP) for the work by fax or e-mail.

## Billing

The Contractor shall provide an invoice with each billing for months in which services were performed. Invoices shall be submitted quarterly for the annual fixed fee portion of the contract covering routine services and monthly for other services provided. The invoice shall specifically describe the services and other items for which the billing is submitted. Billing shall be submitted within a month after the Quarter in question. The Authority reserves the right not to pay if submitted after that time.

The invoice must:

- Reference the Contractor's name, address and phone number
- Reference the contract number:
- include an invoice number
- Reference Financial Advisor Services
- itemize the contractual services provided during the period invoiced as described
- Identify deliverable performed
- Specify how many hours worked.
- Provide support for all travel and out of pocket expenses.

The Contractor will be reimbursed in accordance with the State of Alaska Admin Manual.

## Communication

1. Meeting or Check in on a as needed basis

### SEC. 3.03 CONTRACT TERM AND WORK SCHEDULE

The contract will begin November 1, 2019, the initial term of the contract is two (2) years from contract award, with three (3) additional two-year renewal options. Contract may be extended to complete existing work.

Unless otherwise provided in this RFP, the Authority and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

### SEC. 3.04 CONTRACT TYPE

This contract is a **Fix Price and Time and Expenses** contract.

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### SEC. 3.05 PROPOSED PAYMENT PROCEDURES

The Authority will make payments based on a negotiated payment schedule. Each billing must consist of an invoice, work task, and progress / final report. No payment will be made until the project manager has approved the invoice.

### SEC. 3.06 CONTRACT PAYMENT

No payment will be made until AIDEA/AEA or designee approves. Under no conditions will the Authority be liable for the payment of any interest charges associated with the cost of the contract.

The Authority is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

### SEC. 3.07 LOCATION OF WORK

The location(s) the work is to be performed, completed and managed at the contractors place of business unless otherwise specified and agreed to.

The Authority will provide workspace for the contractor when meeting with Authority personnel.

The contractor should include in their price proposal: transportation, lodging, and per diem costs sufficient to pay for one (1) person(s) to travel when requested. The Authority will inform the contractor when and where they will need to travel.

Contractor on travel status will be compensated for food and lodging expenses in accordance with the State of Alaska Admin Manual for Travel (AAM 60 <http://doa.alaska.gov/dof/travel/index.html>)

- Regular coach air fare;
- Lodging and meals normally paid to Alaska State Employees (General Government Unit) on travel status per Alaska AAM 60.

By signature on their proposal, the offeror certifies that all services provided under this contract by the contractor shall be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the contracting officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the Authority to reject the proposal as non-responsive, or cancel the contract.

### SEC. 3.08 THIRD-PARTY SERVICE PROVIDERS

N/A



### SEC. 3.09 SUBCONTRACTORS

Subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

Subcontractor experience shall not be considered in determining whether the offeror meets the requirements set forth in SEC. 1.04 PRIOR EXPERIENCE.

If a proposal with subcontractors is selected, the offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the Authority's request:

- complete name of the subcontractor;
- complete address of the subcontractor;
- type of work the subcontractor will be performing;
- percentage of work the subcontractor will be providing;
- evidence that the subcontractor holds a valid Alaska business license; and
- a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An offeror's failure to provide this information, within the time set, may cause the Authority to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the Authority.

### SEC. 3.10 JOINT VENTURES

Joint ventures will not be allowed.

### SEC. 3.11 RIGHT TO INSPECT PLACE OF BUSINESS

At reasonable times, the Authority may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the Authority makes such an inspection, the contractor must provide reasonable assistance.

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**SEC. 3.12 F.O.B. POINT**

All goods purchased through this contract will be F.O.B. final destination. Unless specifically stated otherwise, all prices offered must include the delivery costs to any location within the State of Alaska.

**SEC. 3.13 CONTRACT PERSONNEL**

Any change of the project team members named in the proposal must be approved, in advance and in writing, by the project manager. Personnel changes that are not approved by the Authority may be grounds for the Authority to terminate the contract.

**SEC. 3.14 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES**

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project manager. The Authority may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project manager may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the Authority to terminate the contract. In this event, the Authority may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

**SEC. 3.15 LIQUIDATED DAMAGES**

N/A

**SEC. 3.16 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS**

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project manager will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per 3 AAC 100.560.

The contractor will not commence additional work until the project manager has secured any required Authority approvals necessary for the amendment and issued a written contract amendment, approved by AIDEA/AEA or the designee.

**SEC. 3.17 NONDISCLOSURE AND CONFIDENTIALITY**

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including

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both facility physical security and electronic security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. “Reasonable care” means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify the Authority in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by the Authority to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the Authority with written notice of the requested disclosure (to the extent such notice to the Authority is permitted by applicable law) and giving the Authority opportunity to review the request. If the contractor receives no objection from the Authority, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the Authority within a reasonable time after the contractor’s receipt of notice of the requested disclosure and, upon request of the Authority, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

### **SEC. 3.18 INSURANCE REQUIREMENTS**

The successful offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful offeror must secure the insurance coverage required by the Authority. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form APPENDIX B2, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in APPENDIX B2 must be set out in the offeror’s proposal.

### **SEC. 3.19 TERMINATION FOR DEFAULT**

If the project manager determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the Authority may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the Authority's termination rights under the contract provisions of Appendix A, attached in **SECTION 8. EXHIBITS**.

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## SECTION 4. PROPOSAL FORMAT AND CONTENT

### SEC. 4.01 PROPOSAL FORMAT AND CONTENT

The Authority discourages overly lengthy and costly proposals, however, in order for the Authority to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested. Any material aspect of the Offeror's proposal must be included in the written submission received by the deadline for receipt of proposals.

### SEC. 4.02 INTRODUCTION

Proposals must include the complete name and address of offeror's firm and the name, mailing address, email, and telephone number of the person the Authority should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

### SEC. 4.03 UNDERSTANDING OF SERVICES AND MANAGEMENT PLAN

The Offeror should briefly describe their understanding of the services required and how their company is able to best manage AIDEA's routine investments analysis, reporting, and special projects. Describe an understanding of AIDEA's investment policies, goals, objectives, routine tasks, and possible special projects.

Describe any expectations you would have for Authority staff and other contractors AIDEA uses relating to investments. Accordingly, your response should also identify where the various contract services will be performed and how communications will be maintained between your Project Staff, the Authority, and other contractors. Describe the commitment to making AIDEA/AEA work a priority.

### SEC. 4.04 METHODOLOGY

Offerors must provide a comprehensive narrative statement that sets out the methodology they intend to employ and illustrates how their methodology will serve to accomplish the routine work and how they might be able to assist with special projects.

For the routine work, Offerors should clearly describe the methodology and/or special modeling used in monitoring each area; Investment Policy, Strategy, Procedure, and Asset Allocation.

Describe your approach to providing investment consulting to AIDEA and AEA.

For routine projects this should:

- Describe the standard reporting package you provide to your clients and your controls and commitment to assure conformance to AIMR performance standards.
- Discuss your method and resources for providing theoretical analysis and evaluation of your client's portfolio performance.
- Outline the process for the generation and input of information to your system.
- Fully describe your modeling methods and database including number of funds and fund types.
- Describe how large the universe contained in your system is for domestic fixed income managers.
- Include sample reports and how soon you would provide the reports after the end of each quarter.
- Discuss any unique services that you will provide that may be of benefit to AIDEA and AEA.
- Discuss how you will manage your relationship with AIDEA and AEA.

- Describe your capability to respond to questions regarding changes in legislation or regulations and to provide advice on same.
- Discuss your use of financial investment specialists and if your firm relies on the expertise of any one individual in any asset class.

For the special projects this should:

- Describe your capability to address special projects that would be appropriate on a special projects analysis basis.
- Describe your capability to provide customized reports.
- Discuss your methods for assisting with the selection of money managers.
- Discuss any other services that may be of benefit to AIDEA or AEA that your firm may be able to provide as special projects.

The Offeror should describe the administrative and operational structures that the Contractor will use to manage the contract.

Include organization chart with names, functions and levels of authority of key personnel specifically the number and functions of managers and investment advisors. Include who will be the Authority's primary contact. Provide information for both the contractor's work force and any proposed subcontractors and describe how they relate to your organization, and what their role may be under the contract.

## SEC. 4.05 FIRM QUALIFICATIONS, EXPERIENCE

Include a statement of qualifications and resumes for all key personnel designated to perform work under this RFP.

1. Provide a detailed discussion of the Offeror's experience, qualifications, awards, and recognition received for similar services. Provide a detailed list and discussion of the Offeror's current clients and previous clients held within the last six months. All clients referenced should include a complete address, contact name, and telephone number.
  - State whether your organization is national, regional or local.
  - Describe the firm's experience in investment consulting for publicly held investment portfolios and political subdivisions.
  - Describe the firm's experience with non-US dollar denominated obligations.
  - Provide a representative list of current and prior public and private clients for whom you provide investment consulting services. Include the contact person's name and telephone number and indicate the type of services performed and the number of years served for each.

Explain any pending litigation you may currently be involved in arising out of your performance or structure. Exclude routine interpleader action, garnishments, and similar routine matters that do not reflect on your contract performance.

Indicate if you been cited or threatened with citation within the last five years by federal or state regulators for violations of state or federal law and implementing regulations. If your answer is yes, give full particulars.

Discuss the role of the project manager and that of other parties involved in the investment consulting process and percentage of time each may spend on this contract.

## SEC. 4.06 PROJECT MANAGER AND KEY PERSONNEL QUALIFICATIONS AND EXPERIENCE

The statement of Project Manager and Key Personnel Qualifications and experience should include:

- A list of key staff, their position in the company, and what role they will have under this contract.
- A statement of anticipated availability of key personnel over the term of the contract.
- For all key individuals who will work on the contract and specifically identify the individual(s) who will have direct responsibility for consulting with AIDEA. Include resumes for each key person to be assigned to the contract. Each resume should include:
  - Educational history and current certifications, and professional memberships;

- Work history with reference names and phone numbers;
- List projects or clients with the individual's specific and relevant duties and responsibilities identified for that project or client.
- Describe the level of experience with publicly held and political subdivision investment portfolios.
- Current number of clients assigned to the individual with prime responsibility for this contract, with a representative list of current clients for whom this individual performs investment consulting.

## SEC. 4.07 COST AND PRICING SCHEDULE

Provide a price proposal that shows the annual fixed price to accomplish all routine tasks identified in 3.02, and further defined in your proposal. Cost shall include all labor, expenses, overhead and profit and follow the format below.

The cost proposal should show the commitment of hours and expenses for each task as proposed by the Offeror and at a minimum include; employee name, title, estimated hours by task, rate, travel and other miscellaneous expenses shall be included and extended out. The spreadsheet should show the total lump sum for all routine tasks. Labor Rates should include all overhead, profit, and indirect costs.

Labor costs and expenses should be what the contractor would expect to be compensated annually, and paid quarterly, as a firm fixed price taking into account costs for routine services, including but not limited to, developing and printing quarterly reports and one presentation in person to the Boards on an annual basis. Any additional in-person presentation beyond the first will be negotiated at that time.

### Sample Format

Employee	Jim S.	Jane D	Bob P.		Estimate of Allowable Expenses		Annual costs
Employee Function	Client Rep	Asset Expert	Office Manager		Travel & Per diem	Other Expenses	
Loaded Hourly Rate	\$100.00	\$75.00	\$40.00				
Prepare Quarterly Reports	10	25	5				
Task 1 \$	\$1000.00	\$1,875.00	\$200.00		\$1000.00	\$50.00	\$4,125.00
Questions	100	50	10				
Task \$	\$10,000.00	\$3,750.00	\$400.00		3000.00	\$200	\$17,350.00
Total Hrs	150	75	15				
Total Cost	\$11,000.00	\$5625.00	\$600.00		\$4000.00	\$250	<b>\$21,475.00</b>

Your cost proposal will be treated as lump sum fixed-price proposal for accomplishing routine tasks in a given quarter and will remain fixed for the first two years of the contract. This total annual price will be used for the purposes of evaluating costs (Reference Section 6.12). The contract price may vary depending on the final negotiated services, contract terms, and conditions.

In addition to providing a cost proposal in the above format, provide a labor rate schedule for your firm and any major subcontractors that includes loaded hourly billing rates by individual and job title.

Discuss any qualifications you may have about your cost proposal and any other proposed payment terms or conditions that may be different than those indicated in previous sections of this RFP.

The Authority intends to pay a fixed price for routine services on a quarterly basis and the price for special projects will be negotiated using the rate schedule established in the contract. Prices and rates will be firm for the first contract period and the first 2 year renewal.

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**SEC. 4.08 EVALUATION CRITERIA**

All proposals will be reviewed to determine if they are responsive per Section 1.04 Minimum Prior Experience. Proposals determined to be responsive will be evaluated using the criterion that is set out in Section 5 EVALUATION CRITERIA AND CONTRACTOR SELECTION.

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.



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## SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION

### THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100

#### SEC. 5.01 UNDERSTANDING SERVICES AND MANAGEMENT PLAN (10%)

At a minimum this section may be evaluated against the following questions:

Did the offeror briefly describe their understanding of the services required and how their company is able to best manage AIDEA's routine investments analysis, reporting, and special projects? Does the Contractor's proposal demonstrate an understanding of AIDEA's investment policies, goals, objectives and routine tasks and possible special projects as outlined in the scope of work for this RFP? Are the expectations the Contractor has for AIDEA or its contractor's reasonable? Are there any possible conflicts or appearances of conflict in completing this work based on other clients or work the contractor may have during this period? What commitment is the contractor willing and able to make AIDEA work a priority?

#### SEC. 5.02 METHODOLOGY (25%)

At a minimum this section may be evaluated against the following questions:

Did the contractor adequately state their methodology they intend to employ and how it will serve routine work and special projects? Did the methodology and/or special modeling clearly describe the monitoring for Investment Policy, Strategy, Procedure, and Asset Allocation? Did the contractor clearly describe their approach to each routine and special project outlined in Section 4.04? Did the contractor describe the administrative and operational structures they will use to manage the contract? Did they include an organization chart with names, functions, key personnel, primary contact, workforce roles, and subcontractor roles?

#### SEC. 5.03 FIRM QUALIFICATIONS, EXPERIENCE (10%)

At a minimum qualifications and experience may be evaluated against the following questions:

Does the firm or team demonstrate adequate experience in doing similar work as defined in this RFP? What level of experience with organizations similar to AIDEA/AEA is documented? Is all expertise in-house, through partnerships, or will outsourcing be needed? If outsourced, has this been done before and are there preferred vendors worked with in the past?

Are there appropriately qualified individuals and subcontractors in key positions? Does the firm/team demonstrate sufficient depth of personnel to cover situations with short deadlines? What is the firm/team's record for responsiveness to client's needs and investment track record? How does each firm's experience and qualifications compare with that of other offeror's?

Are the personnel who are proposed to work on this job the same persons who worked on similar jobs for the firm?

#### SEC. 5.04 PROJECT MANAGER & KEY PERSONNEL QUALIFICATIONS AND EXPERIENCE (20%)

At a minimum qualifications and experience may be evaluated against the following questions:

Is the statement of qualifications and resumes complete? Do the examples of previous work or clients provided document the quality and level of expertise and experience needed to provide the required services? How broad is their experience based on the scope of RFP tasks and other proposals received? Do the individuals have any unique experience or

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qualifications that would be especially beneficial to AIDEA or AEA? Are the examples from previous projects or clients complete and relevant? Are the individual references positive; if not, are there adequate explanations or extenuating circumstances that should be considered?

## SEC. 5.05 COST AND FEE SCHEDULE (25%)

Price will be evaluated based on the proposed annual fixed price for completing the routine services. The Offeror who provides the lowest total cost for the requested services based on the information provided on the cost worksheet will receive the full 25% of points allocated to price. Other Offeror allocations are determined by this formula:

$$\frac{(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})}{\text{Price of Each Higher Cost Proposal}} = \text{Points awarded for cost}$$

This formula will be applied to the total cost to complete all tasks as defined in this RFP.

Cost proposals from Alaska vendors will be reduced by 5% for the above calculation.

Ref 2 AAC 12.260.

## SEC. 5.06 ALASKA OFFEROR PREFERENCE (10%)

10% of the total points available will be awarded to qualified Alaskan vendors in accordance with 2 AAC 12.260(e).

# SECTION 6. GENERAL PROCESS INFORMATION

## SEC. 6.01 INFORMAL DEBRIEFING

When the contract is completed, an informal debriefing may be performed at the discretion of the project manager. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

## SEC. 6.02 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;

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- ✓ a canceled check for the Alaska business license fee;
  - ✓ a copy of the Alaska business license application with a receipt stamp from the Authority 's occupational licensing office; or
  - ✓ a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- ✓ fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- ✓ liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- ✓ insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- ✓ Mining licenses issued by Alaska Department of Revenue.

Prior the deadline for receipt of proposals, all offerors must hold any other necessary applicable professional licenses required by Alaska Statute.

## SEC. 6.03 SITE INSPECTION

The Authority may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the Authority reasonable access to relevant portions of its work sites. Individuals designated by the contracting officer at the Authority's expense will make site inspection.

## SEC. 6.04 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the contracting officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the contracting officer or the PEC may be adjusted as a result of a clarification under this section.

## SEC. 6.05 DISCUSSIONS WITH OFFERORS

The Authority may conduct discussions with offerors in accordance with 3AAC 100.400. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the contracting officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the contracting officer. Discussions, if held, will be after initial evaluation of proposals by the contracting officer or the PEC. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the contracting officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the contracting officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

## SEC. 6.06 EVALUATION OF PROPOSALS

The contracting officer, or an evaluation committee made up of at least three state employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND CONTRACTOR SELECTION**.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

## SEC. 6.07 CONTRACT NEGOTIATION

After final evaluation, the contracting officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the Authority may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held in the **AIDEA** conference room in **ANCHORAGE**, Alaska.

If the contract negotiations take place in **ANCHORAGE**, Alaska, the offeror will be responsible for their travel and per

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diem expenses.

## SEC. 6.08 FAILURE TO NEGOTIATE

If the selected offeror

- ✓ fails to provide the information required to begin negotiations in a timely manner; or
- ✓ fails to negotiate in good faith; or
- ✓ indicates they cannot perform the contract within the budgeted funds available for the project; or
- ✓ if the offeror and the Authority, after a good faith effort, simply cannot come to terms,

the Authority may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

## SEC. 6.09 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation the contracting officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

## SEC. 6.10 PROTEST

3 AAC 100.570 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the contracting officer at least ten days prior to the deadline for receipt of proposals.

3 AAC 100.570 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the contracting officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- ✓ the name, address, and telephone number of the protester;
- ✓ the signature of the protester or the protester's representative;
- ✓ identification of the contracting agency and the solicitation or contract at issue;
- ✓ a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

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Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The contracting officer will issue a written response to the protest. The response will set out the contracting officer's decision and contain the basis of the decision within the statutory time limit in 3 AAC 100.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the contracting officer, appeals, and hearings, will be conducted in accordance with Alaska Industrial Development and Export Authority Procurement Code (3 AAC 100.580 ), Article 7 "Legal and Contractual Remedies."

## SEC. 6.11 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
- 3) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) 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 (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

### **Alaska Bidder Preference Statement**

In order to receive the Alaska Bidder Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

If the offeror is a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner and include a statement certifying that all members or partners are residents of the state.

If the offeror is a joint venture which includes a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the state.

## SEC. 6.12 FORMULA USED TO CONVERT COST TO POINTS

The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

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## SEC. 6.13 EXAMPLES: CONVERTING COST TO POINTS & APPLYING PREFERENCES

### (a) FORMULA USED TO CONVERT COST TO POINTS

#### STEP 1

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

#### STEP 2

In this example, the RFP allotted 40% of the available 100 points to cost. This means that the lowest cost will receive the maximum number of points.

#### **Offeror #1 receives 40 points.**

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

#### **Offeror #2 receives 37.4 points.**

*$\$40,000$  lowest cost x 40 maximum points for cost = 1,600,000 ÷  $\$42,750$  cost of Offeror #2's proposal = **37.4***

#### **Offeror #3 receives 33.7 points.**

*$\$40,000$  lowest cost x 40 maximum points for cost = 1,600,000 ÷  $\$47,500$  cost of Offeror #3's proposal = **33.7***

## SECTION 7. GENERAL LEGAL INFORMATION

### SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the Authority 's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached in **SECTION 8. EXHIBITS** for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be set out in the offeror's proposal.

### SEC. 7.02 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

### SEC. 7.03 ADDITIONAL TERMS AND CONDITIONS

The Authority reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

### SEC. 7.04 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the Authority to reject the proposal as non-responsive, or cancel the contract.

### SEC. 7.05 RIGHT OF REJECTION

Offerors may not qualify the proposal nor restrict the rights of the Authority. If an offeror does so, the contracting officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;



- 
- do not change the meaning or scope of the RFP;
  - are trivial, negligible, or immaterial in nature;
  - do not reflect a material change in the work; or
  - do not constitute a substantial reservation against a requirement or provision;

may be waived by the contracting officer.

The Authority reserves the right to refrain from making an award if it determines that to be in its best interest.

**A proposal from a debarred or suspended offeror shall be rejected.**

## SEC. 7.06 AUTHORITY NOT RESPONSIBLE FOR PREPARATION COSTS

The Authority will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

## SEC. 7.07 DISCLOSURE OF PROPOSAL CONTENTS

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the contracting officer does so, and if the contracting officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the contracting officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

## SEC. 7.08 ASSIGNMENT

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the contracting officer.

## SEC. 7.09 DISPUTES

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with the Authority by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of 3 AAC 100.590. To the extent not otherwise governed by the preceding, the claim shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

## SEC. 7.10 SEVERABILITY

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If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

## SEC. 7.11 SUPPLEMENTAL TERMS AND CONDITIONS

Proposals must comply with **SEC. 7.05 RIGHT OF REJECTION**. However, if the Authority fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the Authority's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and

if the Authority's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

## SEC. 7.12 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

## SEC. 7.13 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

## SECTION 8. ATTACHMENTS

### 8.01 ATTACHMENTS:

Attachment 1 – AIDEA Investment Policy (Separate Attachment)

Attachment 2 – Manager Report (Separate Attachment)

Attachment 3 – Certificate of Debarment

Attachment 4 – Standard Agreement Form PSA Appendix A and Appendix B2

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

AND ALASKA ENERGY AUTHORITY

CERTIFICATION OF CONTRACTOR AND LOWER-TIER PARTICIPANTS REGARDING DEBARMENT, SUSPENSION, AND OTHER INELIGIBILITY AND VOLUNTARY EXCLUSION

Contractor

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*PLEASE INSERT YOUR COMPANY'S NAME AND ADDRESS IN THIS BOX*

I, \_\_\_\_\_ hereby certify on behalf (Name and title of official)

of \_\_\_\_\_ that: (Name of contractor)

- (1) The prospective contractor and lower tier participant certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. In the event, your company or any principals become ineligible from participating in federally funded transactions, you are required to notify us immediately.
- (2) When the prospective contractor and lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

By: \_\_\_\_\_ (Signature of authorized official)

\_\_\_\_\_  
(Title of authorized official)

## ATTACHMENT 4: STANDARD AGREEMENT FORM

### STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number	2. Description of Professional Services	3. Solicitation No.	4. Agency Encumbrance Number
5. Vendor Contact Information			6. Alaska Business License Number
<b>This contract is between the</b>			
7. <b>Alaska Industrial Development &amp; Export Authority and Alaska Energy Authority</b>			hereafter the Authorities or AIDEA/AEA, and
8. Contractor			hereafter the Contractor
Mailing Address		City	ST ZIP
9.			
<p><b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.</p> <p><b>ARTICLE 2. Performance of Service:</b></p> <p>2.1 Appendix A (General Provisions), Articles 1 through 20, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the Contractor.</p> <p><b>ARTICLE 3. Period of Performance:</b> _____ through ..</p> <p><b>ARTICLE 4. Considerations:</b></p> <p>4.1 In full consideration of the Contractor's performance under this contract, the sum shall not exceed <u>\$21,500.00</u> in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the Contractor shall refer to the Authorities' Contract Number and send the billing to:</p>			
10. <b>Alaska Industrial Development &amp; Export Authority</b> 813 West Northern Lights Anchorage, Alaska 99503 OR Email: <a href="mailto:AIDEAAP@aidea.org">AIDEAAP@aidea.org</a>		11. <b>Alaska Energy Authority</b> 813 West Northern Lights Anchorage, Alaska 99503 OR Email: <a href="mailto:AEAPayables@aidea.org">AEAPayables@aidea.org</a>	
12. <b>CONTRACTOR</b>		14. <b>CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm			
Signature of Authorized Representative		Date	
Printed Name and Title of Authorized Representative			
13. <b>AUTHORITIES</b>			
AIDEA & AEA			
Signature of Authority Executive Director		Signature of Authority Procurement Officer or Designee	
Date		Date	

Tom Boutin, AIDEA Executive Director		Lois Lemus, Contracting Officer
Signature of Authority Executive Director	Date	Project Manager: Email: PH:
Curtis Thayer, AEA Executive Director		

**NOTICE: This contract has no effect until signed by the Authorities Executive Director and Procurement Officer or designee(s).**

**02-093 (12/29/08)**

SAF.DOC

**BACK 02-093 (12/29/08)**

## **APPENDIX A - GENERAL PROVISIONS AND STANDARD CONTRACT TERMS**

### **ARTICLE 1 DEFINITIONS**

- 1.1 In this contract and appendices, "Agency Head" means the Executive Director who signs this contract on behalf of the Authority and includes a successor or authorized representative; and "Procurement Officer" means the Authority's procurement officer named on page 1, or his successor.
- 1.2 "Authority" means the Alaska Energy Authority for which this contract is to be performed and for which the Executive Director or Authorized Designee acted in signing this contract.

### **ARTICLE 2 INSPECTION AND REPORTS**

- 2.1 The Authority may inspect, in the manner and at reasonable times it considers appropriate, all the Contractor's facilities and activities under this contract.
- 2.2 The Contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

### **Article 3 Disputes**

- 3.1 Any dispute arising under this contract not disposed of by mutual agreement shall be decided in accordance with AS 36.30.620-632.

### **ARTICLE 4 EQUAL EMPLOYMENT OPPORTUNITY**

- 4.1 The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, and marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The Contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, and marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The Contractor shall send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the Contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The Contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "Contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The Contractor shall cooperate fully with State efforts that seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.

4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the Contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the Contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

4.7 Failure to perform under this article constitutes a material breach of the contract.

**ARTICLE 5 TERMINATION**

The Procurement Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the Authority. The Authority is liable only for payment in accordance with the payment provisions of this contract for costs incurred before the effective date of termination.

**ARTICLE 6 NO ASSIGNMENT OR DELEGATION**

The Contractor may not assign, novate, or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Authority.

**ARTICLE 7 NO ADDITIONAL WORK OR MATERIAL**

No claim for additional services, not specifically provided in this contract, performed or furnished by the Contractor, will be allowed, nor may the Contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

**ARTICLE 8 INDEPENDENT CONTRACTOR**

The Contractor and any agents and employees of the Contractor act in an independent capacity and are not officers or employees or agents of the Authority in the performance of this contract.

**ARTICLE 9 N/A**

**ARTICLE 10 OWNERSHIP OF DOCUMENTS**

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this contract for the Authority or delivered to the Authority are produced for hire and remain the sole property of the Authority and may be used by the Authority for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The Contractor, for a period of three years after final payment under this contract, shall furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the Contractor may retain copies of all the materials.

**ARTICLE 11 GOVERNING LAW**

This contract is governed by the laws of the State of Alaska. Subject to the dispute resolution process provided for in Article 3 above, all actions concerning this contract shall be brought in the Superior Court of the State of Alaska and not elsewhere. The Contractor consents to the jurisdiction of the Superior Court of the State of Alaska.

**ARTICLE 12 CONFLICTING PROVISIONS**

Unless specifically amended and approved by the Department of Law, the General Provisions of this contract supersede any provisions in other appendices.



**ARTICLE 13 OFFICIALS NOT TO BENEFIT**

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

**ARTICLE 14 COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the Contractor for the purpose of securing business. For the breach or violation of this warranty, the Authority may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**Article 15 Contract for Similar Services**

The Authority may contract for similar services from other contractors during the term of this contract.

**ARTICLE 16 CONFLICT OF INTEREST**

Promptly after execution of this contract, Contractor shall provide a statement indicating whether or not the firm or any individual working on the contract has a possible conflict of interest. If there is a conflict of interest or appearance of such a conflict, a brief description of the nature of the conflict must be included in the statement. The Authority will evaluate the nature of the conflict, Contractor's statement, and make a determination whether in its opinion a conflict of interest exists. This decision shall be made solely in the Authority's best interest. If a conflict of interest is discovered after contract award, the Authority, after review of the facts surrounding the conflict, may terminate the contract in its entirety.

**ARTICLE 17 SUBCONTRACTORS**

Contractor may subcontract portions of specific work or offer the services of other firms. The Contractor will be required to submit the names and addresses and other required information of all subcontractors. If subcontractors are added in order to respond to a specific work order the contractor will be required to provide information about the subcontractor with their work order proposal.

The Contractor must submit proof of proposed subcontractors' Alaska business licenses and insurance for those businesses working in Alaska within a reasonable time after this contract is executed.

If Contractor proposes to accomplish more than 50% of the work through subcontractors, they must provide a written statement that they are not operating as a joint venture with the other contractors and will be solely responsible for all work products, profits, and losses, as they relate to the performance of this contract. The Authority may terminate the contract in its entirety for any failure to comply with the preceding sentence.

**ARTICLE 18 INTEGRATION**

The Standard Agreement for Professional Services set out on page 1, together with Appendices A, B, C, and D, contain the complete and final statement of the terms the parties have agreed upon with respect to the subject matter covered. No prior agreements, representations or negotiations, whether written or oral, that are not expressly set out in this contract shall be binding on, or enforceable against, or may be relied upon by, any party.

**ARTICLE 19 FORCE MAJEURE**

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

**ARTICLE 20 CONTRACTOR'S SIGNATURE CERTIFIES THAT:**

- 1) all services provided under this contract by the Contractor shall be performed in the United States; and

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2) the Contractor is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report is located at the following website: <http://www.state.gov/g/tip/> Failure to comply with (a) or (b) of this requirement will cause AEA to cancel the contract.

## ATTACHMENT 5: APPENDIX B - INDEMNIFICATION & INSURANCE

### Article 1. Indemnification

The Contractor shall indemnify, defend, and hold harmless the Authorities from and against any claim of, or liability for, negligent acts, errors, and omissions of the Contractor under this contract. The Contractor shall not be required to indemnify, defend, or hold harmless the Authority for a claim of, or liability for, the independent negligent acts, errors, and omissions of the Authorities. If there is a claim of, or liability for, a joint negligent act, error or omission of the Contractor and Authorities, the indemnification, defense and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, "Contractor" and "Authorities" include the employees, agents and other contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, or omissions" means negligence other than in the Authorities' selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

### Article 2. Insurance

Without limiting Contractor's indemnification obligation, Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this contract the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the Authorities shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Procurement Officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. For Contractor's services performed in Alaska, all insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the Authorities and the State of Alaska.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this contract with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this contract with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.4 Professional Liability Insurance:** covering all errors, omissions or negligent acts in the performance of professional services under this contract. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$500,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Occurrence/Annual Aggregate
\$1,000,000 or over	Refer to Risk Management

**NOTICE TO PROCEED**



**& BILLING SUMMARY**

<b>NTP No:</b>	#REF!
<b>Agreement No:</b>	#REF!
<b>Accounting Ref No.:</b>	#REF!
<b>Contract Expiration Date:</b>	#REF!
<b>NTP Completion Date:</b>	#REF!
<b>Amount of this NTP/Amend.:</b>	#REF!
<b>Method of Payment:</b>	#REF!

<b>Contractor:</b> #REF!
<b>Project Title:</b> #REF!
<b>Category of Services:</b> #REF!

**NOTICE TO**

**BILLING**

This Invoice is for [ ] Progress [ OR] Final Payment OR Sequential Invoice # for this [ ]

GL Account Code	Funding Exp. Date	Authorized Task Groups	Authorized To - Date	Prior Approved	This Billing	Total To - Date
<b>Total Amount Authorized for All Groups</b>			<b>\$0.00</b>			
<b>Sum of Prior APPROVED Payments</b>				<b>0.00</b>		
<b>Sum for THIS INVOICE</b>					<b>0.00</b>	
<b>Sum of Prior Payments and this Invoice</b>						<b>0.00</b>
<b>Balance of Authorized Amount</b>						<b>\$0.00</b>

**Payment Request & Certification: (Contractor)**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Department of Labor Close-Out Required?  Name: #REF!

**Approval for**

PAYMENT RECOMMENDED (Agency Project Manager): I certify this invoice to be valid and accurate and that services were performed substantially in conformance with the contract requirements and	PAYMENT APPROVED (Authorized Agency Official): Based upon the Project
Signature _____	Signature _____ Date _____
Name: #REF!	Name: _____

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INSTRUCTIONS TO CONTRACTOR for

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**COST REIMBURSEMENT NOTICE TO PROCEED (NTP)**

**& BILLING SUMMARY**

- 1 Retain an unmarked, as issued, copy of this form to be used for reproduction and billing.
- 2 If this NTP is unacceptable, notify the Contracting Agency immediately. If acceptable, acknowledge by signature where indicated on a copy of this NTP and return it within ten days after your receipt.
- 3 Submit monthly Invoices to the Agency Contract Manager named in this NTP. Provide a copy of page one of this form as the FACE PAGE of each invoice submitted and with the following entries accurately completed:
  - a) Indicate if the Invoice is for Progress or Final Payment and show the Sequential Invoice Number for this NTP.  
Entries in the following columns: Prior Approved Payments, This Billing, and Total to Date for each Task Group;
  - b) plus the SUM TOTALS for: Authorized To - Date, Prior APPROVED Payments, THIS INVOICE, Prior Payments plus this Invoice, and Balance of Authorized Amount.

Note "Prior APPROVED Payments" amounts may NOT be the same as the total of all your prior invoices if some items were disallowed or adjustments were made. If a prior billing has not been acknowledged with any payment, or a different amount from your billing was paid without notification to you of the reason(s), attach a request for an explanation and remedial action.

4 Sign, date and enter printed or typed name under "PAYMENT REQUEST (Contractor)" thereby attesting to the following:

"By signature on this form, the Contractor certifies entries to be true and correct for the services performed to date under or by virtue of said Agreement and in accordance with AS 36.30.400. The Contractor further certifies that all applicable Federal, State and Local taxes incurred by the Contractor in the performance of the services **have** been paid and that all Subcontractors engaged by the Contractor for the services included in any invoice shall be fully **compensated** by the Contractor for such services."

5 **When Applicable, ATTACH A CURRENT COPY OF EXHIBIT C-4, COST REIMBURSEMENT BILLING DETAIL FORM (from Appendix C of the Agreement) to each invoice. Internally check the form and correct mathematical extensions. The Contracting Agency may return erroneous invoices for correction before processing for payment.**

6 Substantiate all charges in each billing, other than for Fixed Prices or Fixed Fees, by attaching a summary of hours expended and hourly labor rate per employee; summary of units completed; subcontractor invoices; expense receipts, etc.; or other proof of expenditures.

7 Prime Contractor's Labor and Indirect Cost shall be billed to the Contracting Agency within 45 days of performance. Subcontractors' Labor and Indirect Cost shall be billed to the Contracting Agency within 60 days of performance. All of the Contractor's and Subcontractors' Other Direct Costs (Expenses) shall be billed to the Contracting Agency within 90 days of being incurred. Charges submitted after the above stated times will, at the Contracting Agency's discretion, not be paid.

8 When each NTP is approximately 75% complete, the Contractor shall determine if the Authorized Amount(s) might be exceeded; and, if so, shall provide an estimate of cost to complete. The Contracting Agency will determine after discussion with the Contractor if additional cost is reasonable and does not include costs that should be absorbed by the Contractor. If additional cost is validated, a negotiated Amendment will be executed which either (1) reduces the scope of services/work products required commensurate with the Authorized Amount(s), or (2) increases the Authorized Amount(s) to that required for completion of the original contract scope.