



Alaska Railroad Investment Consulting Services

Request for Proposals 21-33-209307

October 4, 2021

Alaska Railroad Corporation
327 W. Ship Creek Avenue, Anchorage, AK 99501
P.O. Box 107500, Anchorage, AK 99510-7500

Telephone: 907.265.4467
Email: hopem@akrr.com

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Alaska Railroad Corporation
327 W. Ship Creek Avenue,
Anchorage, AK 99501
Telephone 907.265.2481

October 4, 2021

REQUEST FOR PROPOSALS

21-33-209307

Alaska Railroad Investment Consulting Services

REGISTRATION AS AN INTERESTED PARTY

Response Requested,

This form must be completed and returned, by email, to insure receipt of additional information.

Email to: hopem@akrr.com Attention: Michele Hope

IMPORTANT NOTICE: YOU MUST REGISTER YOUR FIRM WITH THE PROCUREMENT OFFICER LISTED ABOVE, BY EMAIL, TO RECEIVE NOTIFICATION OF SUBSEQUENT AMENDMENTS. FAILURE TO REGISTER WITH THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

It is your Firm's responsibility to periodically check for addendums on ARRC's internet Website: www.alaskarailroad.com for addendums/amendments to this RFP.

RFP submittals shall acknowledge the receipt of all issued addendums, see SECTION G – Submittal form.

Failure to acknowledge an addendum or amendment may cause the procurement officer to determine your proposal as non-responsive and reject your Firm's proposal.

Notifications of Addendums will be emailed to the contact name and address listed below.

Company _____

Address _____

Contact _____

Phone _____

Email _____

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327 W. Ship Creek Avenue,
Anchorage, AK 99501
Telephone 907.265.2481

October 4, 2021

REQUEST FOR PROPOSALS (RFP): Number 21-33-209307

The Alaska Railroad Corporation (ARRC) is soliciting Proposals from Firms interested in providing the following:

PROJECT TITLE: Alaska Railroad Investment Consulting Services

Proposals will be received until **3:00 PM LOCAL TIME on MONDAY, October 25, 2021 via Dropbox.**

For safety reasons during the global pandemic, one electronic copy of your firms Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/zKnvRCykTgzMUWylX9ik> by proposal due date/time. It is the offeror's responsibility to verify with the Contract Administrator that their proposal was received timely. If your firm has restrictions on Dropbox submittals you must contact your Contract Administrator at least 7 days prior to proposal due date to discuss alternatives.

File naming convention shall be: Firm Name-RFP#-RFPName

The original copy of your proposal will need to be mailed to the address provided below by the proposal due date. The Dropbox submittal date/time will be used for the official receipt. Your proposal package (qualifications and proposals) must be complete.

Alaska Railroad Corporation
Attn. Michele Hope, 2nd Floor
327 W. Ship Creek Avenue
Anchorage, Alaska 99501

Proposals received by facsimile transmission will not be considered for award. Proposals shall be submitted on the forms furnished herein. Amendments or withdrawals must be received by ARRC's Contracts Section via Dropbox prior to the date and time listed above.

Proposals received after the time and date set forth above shall be rejected. All proposals submitted in response to this solicitation must be signed by an individual with the legal authority to submit the offer on behalf of the company.

Responsibility of Understanding

It is your Firm's responsibility to understand what is required by this solicitation. The ARRC shall not be held responsible for a Firm's lack of understanding. Should a Firm not understand any aspect of this RFP,

or require further explanation, or clarification regarding the intent or requirements of this document, it shall be the responsibility of the Firm to seek guidance from ARRC.

Exceptions to Terms, Conditions and Specifications

Each Proposer shall indicate all exceptions to terms, conditions, and specifications of this solicitation individually in its proposal. **IMPORTANT:** Exceptions other than those not allowed by law will be rejected. Exceptions received or placed after the proposal submission date will be considered as counter offers and as such may render the entire proposal non-responsive.

Multiple Proposals

Multiple proposals are not allowed and if multiple proposals are submitted all of your Firm's proposals will be rejected and determined as non-responsive.

Questions

Please direct all questions concerning this RFP via email to: ARRC Procurement, Attention: Michele Hope at hopem@akrr.com Include the RFP number in the subject line.

Protests

Per ARRC Procurement Rule **1800.2**

A protest based on alleged improprieties or ambiguities in a solicitation must be filed at least 10 days before the due date of the bid or proposal, unless a later protest due date is specifically allowed in the solicitation. If a solicitation is made with a shortened public notice period and the protest is based on alleged improprieties or ambiguities in the solicitation, the protest must be filed before the due date of the bid or proposal.

The protest of an invitation to bid or a request for proposals in which a pre-bid or pre-proposal conference is held within 12 days of the due date must be filed before the due date of the bid or proposal if the protest is based on alleged improprieties or ambiguities in the solicitation. A protest based upon alleged improprieties in an award of a contract or a proposed award of a contract must be filed within 10 days after a notice of intent to award a contract is issued by the procurement officer.

Preproposal Conference

A preproposal conference is not scheduled for this solicitation.



The Alaska Railroad is a member of Green Star (<http://www.greenstarinc.org>). ARRC earned an initial Green Star Award in 1994 and a Green Star Air Quality Award in 2007. The Alaska Railroad considers Green Star membership to be a positive business attribute, and regards a Green Star award as a tangible sign of an organization's commitment to environmental stewardship and continual improvement within its operations.

ARRC is an equal opportunity employer.

SOLICITATION INDEX

- SECTION A BACKGROUND INFORMATION & SCOPE OF SERVICES
- SECTION B PROPOSAL INFORMATION, CONDITIONS & INSTRUCTIONS
- SECTION C PROPOSAL FORMAT AND CONTENT
- SECTION D AWARD AND EVALUATION CRITERIA
- SECTION E SELECTION PROCESS
- SECTION F COST SCHEDULE
- SECTION G SUBMITTAL FORM
- SECTION H CONTRACTOR RESPONSIBILITY QUESTIONNAIRE
- SECTION I GENERAL TERMS & CONDITIONS (PROFESSIONAL SERVICES CONTRACTS)

ATTACHMENTS:

ARRC Pension Plan Investment Policy Statement

ARRC Represented & Non-Represented 401(k) Plans and 457 Deferred Compensation
Plan Investment Policy Statement

ARRC Health Care Trust Investment Policy Statement

SECTION A

Background Information

The Alaska Railroad Corporation (ARRC) is a public corporation of the State of Alaska. It is a full service (passengers and freight) railroad with a route that runs from Seward and Whittier at tidewater to interior Alaska just beyond Fairbanks. The corporation is headquartered in Anchorage. The Railroad employs approximately 750 employees at peak employment. The majority of employees are represented by five bargaining units, in addition there are approximately 200 non-represented employees. The Railroad bargains benefit matters with all five labor organizations. The benefit plans all have a December 31 year end.

ARRC's benefit plans are government plans.

Pension Plan

The Alaska Railroad Corporation Pension Plan covers all regular employees hired after the January 5, 1985, transfer of ownership of the Alaska Railroad from the federal government to the State of Alaska. Participation is mandatory and employees contribute 9% of their base salary or wages to the Plan. The ARRC's contribution is dependent on the results of annual actuarial valuations, which are currently performed by the firm of Bartel Associates, LLC. The Plans are administered by: (i) the 401(k) Tax Deferred Savings and Pension Plan Committee which is comprised of three management representatives and two labor representatives, and (ii) the Non-Represented Tax Deferred Savings, 457 and Health Care Plans Committee which is comprised of three management representatives. Legal services for the Plans are provided by Stoel Rives, LLP. Empower Retirement provides third party administrative services for the 401(k) and 457 Plans. Atessa Benefits, Inc. provides third party administrative services for the Pension Plan. Trustee of the Pension Plan assets is Wells Fargo Bank. The market value of the assets in the Pension Plan at June 30, 2021 was approximately \$254,826,360 million and the Funded Ratio on a Market Value Basis was 95.7%. At that time, there were approximately 700 active and 390 inactive participants, and 345 retirees. Total contributions to the Fund in 2021 will be approximately \$8.5 Million. Assets of the Pension Plan are currently invested as follows:

Pension Investment Manager	Asset Class	Target Allocation Range	June 30, 2021 Assets
Metropolitan West Total Return Bond	Fixed Income	21.0% - 39.0%	\$ 15,376,922
PIMCO Dynamic Bond Inst'l	Fixed Income		\$ 6,262,212
Rimrock Low Volatility	Fixed Income		\$ 9,839,517
T. Rowe Price Global Multi-Sector Bond	Fixed Income		\$ 11,426,534
Hotchkis & Wiley	Fixed Income		\$ 17,253,694
DFA Inflation-Protected TIPS	Fixed Income		\$ 11,995,245

Pension Investment Manager	Asset Class	Target Allocation Range	June 30, 2021 Assets
Vanguard Institutional Index	Domestic Equity	32.0% - 48.0%	\$ 28,206,537
T. Rowe Price U.S. Equity Research	Domestic Equity		\$ 27,963,989
JP Morgan Mid Cap Value	Domestic Equity		\$ 16,500,843
MFS Mid Cap Growth R6	Domestic Equity		\$ 16,016,664
American Century Small Cap Value R6	Domestic Equity		\$ 11,842,565
Hood River Small Cap Growth Retirement	Domestic Equity		\$ 11,873,131
MFS Institutional Int'l Equity	International Equity	10.0% - 16.0%	\$ 34,192,045
PIMCO Commodities Real Return Strategy Inst'l	Commodities	0.0% - 4.0%	\$ 5,555,880
Prime Property Fund LLC	Real Estate	12.0% - 18.0%	\$ 14,777,188
RREEF Fund of America REIT II	Real Estate		\$ 15,179,269

Health Care Trust

The Postretirement Health Care Trust was adopted in 2005 and funds the Corporation's share of liabilities incurred in providing health care coverage to certain employees, spouses and dependents following the employee's retirement. In 2014, the ARRC amended the Postretirement Health Care Trust and retitled it the Alaska Railroad Health Care Trust to fund a premium adjustment for certain active employees who enrolled in the "Blue Plan," a PPO Plan to help offset the significant increase in those employees' health insurance premiums. The market value of the assets in the Postretirement Health Care Trust at June 30, 2021 was approximately \$57.5 million and the Funded Ratio on a Market Value Basis was 427.7%. Trustee of the Health Care Plan assets is Wells Fargo Bank. Assets of the Health Care Trust are currently invested as follows:

Healthcare Investment Manager	Asset Class	Target Allocation Range	June 30, 2021 Assets
Vanguard Short-Term Inv Grade Admiral	Fixed Income	50.0% - 70.0%	\$ 2,801,536
Metropolitan West Total Return Bond	Fixed Income		\$ 7,235,341
PIMCO Dynamic Bond	Fixed Income		\$ 5,678,296
Rimrock Low Volatility	Fixed Income		\$ 5,027,277
T. Rowe Price Global Multi-Sector Bond	Fixed Income		\$ 3,683,103
Hotchkis & Wiley High Yield	Fixed Income		\$ 6,160,735
DFA Inflation-Protected Secs Port Institutional	Fixed Income		\$ 3,177,256
T. Rowe Price US Equity Research	Domestic Equity	15.0% - 29.0%	\$ 3,446,985
Vanguard Institutional Index	Domestic Equity		\$ 3,457,811
JP Morgan Mid Cap Value	Domestic Equity		\$ 2,125,597
MFS Mid Cap Growth R6	Domestic Equity		\$ 1,905,740
MFS International Equity	International Equity	4.0% - 8.0%	\$ 3,375,100
Vanguard Healthcare Fund Admiral	Specialty Equity-HC	2.0% - 6.0%	\$ 2,301,105
Prime Property Fund LLC	Real Estate	6.0% - 11.0%	\$ 1,964,535
RREEF Fund of America REIT II	Real Estate		\$ 2,000,914

401(k) Tax Deferred Savings Plans

There are two 401(k) plans, one for represented employees and one for non-represented employees. For many purposes they are treated like one plan but there are different participation criteria and different employer match agreements depending upon bargaining unit. The Plans were initially adopted in 1985. Participation in the 401(k) Plans is voluntary and open to all regular employees. As of June 30, 2021, the 401(k) Savings Plans had approximately \$126.7 million in assets. The Plan provider is

Empower Retirement, which provides bundled recordkeeping, trust and investment services. There are 25 investment options available to participants. Employees will contribute approximately \$4.0 million in 2021 and employer match contributions will be approximately \$1.0 million.

Participant Plan Allocation was invested as follows on June 30, 2021:

Fund	Asset Class	Asset Allocation %	June 30, 2021 Assets
Putnam Stable Value	Fixed Income	14.0%	\$ 17,726,441
Fidelity US Bond Index	Fixed Income	9.2%	\$ 11,631,701
T. Rowe Price Global Multi-Sector Bd I	Fixed Income	0.9%	\$ 1,077,634
Vanguard Windsor II Adm	Domestic Equity	6.3%	\$ 7,980,280
Fidelity 500 Index	Domestic Equity	14.0%	\$ 17,797,326
MFS Growth R6	Domestic Equity	5.8%	\$ 7,318,166
JP Morgan Mid Cap Value R6	Domestic Equity	1.0%	\$ 1,275,636
Fidelity Extended Market Index	Domestic Equity	3.8%	\$ 4,815,817
MFS Mid Cap Growth R6	Domestic Equity	1.8%	\$ 2,228,382
Victory Integrity Small-Cap Value R6	Domestic Equity	3.1%	\$ 3,885,531
Loomis Sayles Small Cap Growth N	Domestic Equity	2.6%	\$ 3,310,046
Fidelity Total Int'l Index	International Equity	2.6%	\$ 3,354,556
American Funds EuroPacific Growth R6	International Equity	3.3%	\$ 4,217,326
Vanguard Target Retirement Funds combined 2015-2065	Target Retirement Funds	30.5%	\$ 38,642,207
Participant Loans	Loan Fund	1.1%	\$ 1,446,263

457(b) Deferred Compensation Plan

The 457 Plan was established in September 2004 and is open only to non-represented employees. As of June 30, 2021, the Plan had approximately \$8.4 million in assets. Total contributions to the Fund in 2021 will be approximately \$555,000. Empower Retirement provides plan services as described above for the 401(k) Plan, and the same investment options are offered as in the 401(k) Plan.

Scope of Services

This scope of work includes, but is not limited to, the following:

Services

1. Perform *quarterly* investment performance reviews for the ARRC's defined benefit Pension Plan and the Health Care Trust, and an *annual* investment performance review for the defined contribution 401(k) and 457 Plans.
 - Written reports shall be provided to the Committees no later than six weeks following the end of the quarter.
 - Semi-annual presentations regarding the results of the performance reviews shall be provided to the Committee.
 - Presentations shall be given in Anchorage, Alaska.
 - As a part of such review, Contractor shall recommend fund retention, watch list strategies, manager search or other appropriate policies or actions by the Committees.
 - Contractor shall also provide updates on any relevant changes in investment management firm personnel, ownership, style, or investment philosophy.

Investment performance reports shall include summary information with graphical depictions which can be easily interpreted by lay committee members, along with a glossary of relevant terms. Separate reports shall be provided for the Pension Plan, the Health Care Trust, and the combined Defined Contribution Plans.

2. Monitor compliance with the Investment Policy.
 - Provide the Committee with an assessment of, and recommendations for, any changes needed to the Investment Policy including making recommendations on changes to benchmarks or universes used to measure and monitor Investment Manager performance.
 - Proactively suggest improvements to the Plan's investment program.
3. Assist with calculations and provide investment information required for disclosure in the financial statements under GASB 67, 68, 74, and 75.
 - Provide detailed information on the long-term expected rate of return by investment type and the annual money-weighted rate of return for the Plan's investments.
 - Ensure investment statements are provided to the Controller for determining the year-end asset values.
4. Provide miscellaneous investment advisory services to the Committee as may be required. This may include such activities as coordination with the Trustee and Investment Managers regarding rebalancing, as well as providing educational presentations to the Committee. Keep the Committee informed of current investment trends and issues and material changes in the regulatory environment. Provide proxy voting recommendations to the Committee, and vote on the Committee's behalf if requested.
5. Acknowledge in writing that he/she is a fiduciary with respect to the Plan.
6. Conduct Investment Manager searches.
 - Provide the Committee with a complete analysis of the alternatives, and recommendations where appropriate.

7. Perform an asset allocation study for the defined benefit Pension Plan, recommending the types and mix of asset classes that would maximize investment returns while minimizing risk. A separate asset allocation study may be requested for the Health Care Trust. Provide advice and assistance regarding the implementation of investment policy and asset allocation strategies.
8. Provide transition management services in the event that a new investment manager(s) is selected to replace an existing manager or to implement a new asset allocation strategy. This includes risk management and cost management expertise.

SECTION B

PROPOSAL INFORMATION, CONDITIONS & INSTRUCTIONS

1. Pre-Submission Proposal Inquires

Proposers shall promptly notify ARRC of any ambiguity, inconsistency, conflict, or error which they may discover upon examination of the solicitation documents. Verbal inquiries regarding this RFP are not permitted. All inquiries must be made in writing and received at ARRC's offices ten days prior to the due date. Written inquiries must be submitted by email to hopen@akrr.com.

ARRC will respond to all or part of the written inquiries received through the issuance of a written Addendum to the IRFP, if in the opinion of ARRC, such information is deemed necessary to submit proposals or if the lack of it would be prejudicial to other prospective proposers. Oral and all other non-written responses, interpretations and clarifications shall not be legally effective or binding. Any Proposer who attempts to use or uses any means or method other than those set forth above to communicate with ARRC or any director, officer, employee or agent thereof, regarding this IRFP shall be subject to disqualification.

2. Proposal Submission Deadline

Proposals must be received by ARRC no later than 3:00 p.m., local time, on October 25, 2021.

For safety reasons during the global pandemic, one electronic copy of your firms Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/zKnvRCykTgzMUWylX9ik> by proposal due date/time. It is the offeror's responsibility to verify with the Contract Administrator that their proposal was received timely. If your firm has restrictions on Dropbox submittals you must contact your Contract Administrator at least 7 days prior to proposal due date to discuss alternatives.

File naming convention shall be: Firm Name-RFP#-RFPName

The original copy of your proposal will need to be mailed to the address provided below by the proposal due date. The Dropbox submittal date/time will be used for the official receipt. Your proposal package (qualifications and proposals) must be complete.

Alaska Railroad Corporation
Attn. Michele Hope, 2nd Floor
327 W. Ship Creek Avenue
Anchorage, Alaska 99501

Proposals received after the time and date set forth above shall be rejected. All proposals submitted in response to this solicitation must be signed by an individual with the legal authority to submit the offer on behalf of the company.

3. Proposal Open and Subject to Acceptance

All proposals shall remain open and subject to acceptance by ARRC for ninety (90) days after the deadline for proposal submission.

4. Proposal Opening

Proposals will be opened privately at ARRC's convenience on or after the proposal due date.

5. Reserved Rights

In addition to other rights in this RFP, ARRC reserves, holds and may exercise at its sole discretion, the following rights and options:

- (a) To supplement, amend, or otherwise modify or cancel this RFP with or without substitution of another RFP.
- (b) To issue additional or subsequent solicitations for proposals.
- (c) To conduct investigations of the Proposers and their proposals.
- (d) To clarify the information provided pursuant to this RFP.
- (e) To request additional evidence or documentation to support the information included in any proposal.
- (f) To reject any and all proposals, or parts thereof, and/or to waive any informality or informalities in any of the proposals or the proposal process for the RFP, if such rejection or waiver is deemed in the best interest of ARRC.
- (g) To award a contract or contracts resulting from this solicitation to the responsible Proposer whose proposal conforming to this solicitation will be most advantageous to ARRC.
- (h) To negotiate any rate/fee offered by a Proposer. ARRC shall have the sole right to make the final rate/fee offer during contract negotiations. If the selected Proposer does not accept ARRC's final offer, ARRC may, in its sole discretion, reject the proposal and start negotiations with the next highest ranked Proposer.
- (i) If an award is made and, prior to entering into a contract, subsequent information indicates that such award was not in the best interest of ARRC, ARRC may rescind the award without prior notice to proposers and either award to another proposer or reject all proposals or cancel the RFP.
- (k) To terminate the contractor at any point in the evaluation process or after award if the approved personnel become unavailable, are switched off project by the firm, or the qualifications are generally found to be inadequate. All personnel reassignments to and from the project will be approved by ARRC.

6. Proposal Costs

Each Proposer shall be solely responsible for all costs and expenses associated with the preparation and/or submission of its proposal, and ARRC shall have no responsibility or liability whatsoever for any such costs and expenses. Neither ARRC nor any of its directors, officers, employees or authorized agents shall be liable for any claims or damages resulting from the solicitation or collection of proposals. By submitting a proposal, Proposer expressly waives (i) any claim(s) for such costs and expenses, and (ii) any other related claims or damages.

7. Taxes

Pursuant to AS 42.40.910, ARRC is exempt from all forms of state or local sales, property and other taxes. Accordingly, any Proposer who submits a proposal shall not include any such tax in any of its proposal prices or in any calculation thereof.

8. Proposal Format

Interested firms shall submit one electronic proposal containing a concise narrative that fully addresses each evaluation criteria. Proposals shall have a maximum of twenty (20) pages, which includes all resumes and exhibits. Page count does NOT include the 2-page cover letter or the questionnaire response.

A signed cover letter of a maximum two (2) pages should introduce the proposed firm,

- summarize the main qualifications of the firm and verifying that the firm meets the minimum qualifications
- disclose any information that may pose an actual conflict of interest in providing these services or give the appearance of a conflict of interest
- provide a representative list of clients including addresses, contact names and phone numbers
- include any other information the Contractor deems will emphasize the Contractor's ability to successfully perform the services required and demonstrate why selection of Contractor would be advantageous to ARRC

Important Instructions: To be considered responsive, Offerors must submit the following

1. ARRC Formal Bid Form (acknowledging all addenda issued)
2. Cover letter
3. Technical Proposal
4. Resumes (if requested)
5. Contractor's Questionnaire and Certifications
6. Section F, Fee Schedule

9. Capacity to Perform

Any Proposer considered for award as a result of this solicitation may be required to make assurance to the Contract Administrator concerning the Proposer's capacity and capability to perform. Previous contracts of a like nature, financial solvency, and other information may be requested of the considered Proposer. Failure to provide assurances requested in a timely manner may be cause for rejection of the Proposal.

10. Costs

Other direct costs (ODC) on contracts incurred shall be billed at cost. If travel is required, ARRC will be billed per diem for meals and incidentals using the current Department of Defense rate. Airfare will be billed at cost with coach airfare only, no first class or business class. Lodging must be reasonable. ARRC will not pay for alcohol, valet parking, or expenses it considers to be exorbitant.

11. Purchase Obligation

ARRC and responding firms expressly acknowledge and agree that ARRC has made no express or implied promises to expend any dollar amounts with respect to the services addressed by this RFP. By submitting a proposal in response to this RFP, each firm acknowledges and agrees that the provisions of this RFP, and/or any communication, statement, act or omission by representatives of ARRC

(including consultants) in the selection process, shall not vest any right, privilege, or right of action in any Proposer.

12. Exceptions to Terms, Conditions and Specifications

Any contract resulting from this solicitation shall incorporate the General Terms and Conditions contained in this solicitation package. Each Proposer shall indicate all exceptions to terms, conditions, and specifications of this solicitation individually in its proposal. Exceptions received or placed after the proposal submission date will be considered as counter offers and as such will render the entire proposal non-responsive.

13. Public Information

All submitted proposals will be considered confidential until notice of intent to award is issued. After notice of intent to award is issued, all proposals will become public information.

14. Qualifications of Proposers

Minimum qualifications:

- At least 5 years' experience performing services similar in type and cost to proposed project.

Proposers will be evaluated by ARRC based upon their demonstrated comprehension of required services and proposed strategy for performance, relevant experience and credentials of proposed personnel including any subcontractors, proposed schedule for performance, demonstrated knowledge of required services, and cost proposal. ARRC reserves the right to take any actions it deems necessary to determine if Proposers have the ability to perform the services outlined in the Scope of Work in a satisfactory manner. Such actions will include an evaluation of the Proposer's qualifications and references prior to Contract Award. Proposers may be disqualified, and their Proposals rejected, for any reason deemed appropriate by ARRC including, but not limited to, the following:

- (a) Evidence of collusion between a Proposer and any other Proposer(s).
- (b) An unsatisfactory performance record on prior projects for ARRC, or any other organization.
- (c) The appearance of financial instability (in the opinion of ARRC) and/or evidence that Proposer may not be financially able to complete the work required by the Scope of Work in a satisfactory manner.
- (d) If Proposer has failed to complete one or more public contracts in the past.
- (e) If Proposer has been convicted of a crime arising from previous public contracts.
- (f) If Proposer is not authorized to perform work in the State of Alaska.

15. Alaska Bidder's Preference

For the purposes of evaluating the price evaluation criteria, the proposed price of a Offeror who qualifies as an Alaska Bidder shall be reduced by 5%. The preference will be given to Offerors who:

- (a) hold a current Alaska business license;
- (b) submit a proposal for goods or services under the name on the Alaska business license;
- (c) have maintained a place of business within the state staffed by the Offeror, or an employee of the Offeror, for a period of six (6) months immediately preceding the date of the proposal;
- (d) are incorporated or otherwise qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and
- (e) if a joint venture, are composed entirely of entities that qualify under (a)-(d) of this subsection.

Offerors seeking an Alaska Bidder's Preference must include a statement certifying that the Offeror meets the above requirements and is eligible to receive the Alaska Bidder's Preference. Copies of any relevant documentation should also be provided.

16. Contract Period

The service agreement shall be effective on December 30, 2021 and shall run for a period of two years, with an option to renew for three additional one-year periods.

SECTION C

PROPOSAL FORMAT AND CONTENT

Alaska Railroad Corporation (ARRC) is requesting proposals from interested firms qualified to perform the work described in the Scope of Services. This is intended to be an unbiased evaluation. ARRC reserves the right to determine that proposed services will meet ARRC requirements. ARRC reserves the right to withdraw this RFP, reject any and all proposals, advertise for new proposals, or accomplish the work by other means including issuing only some of the tasks defined in the Scope of Services above, that ARRC in its sole discretion, determines to be in its best interest. ARRC may request additional information from any firm to make a proposal responsive to this RFP or otherwise obtain clarification or additional information that ARRC, in its sole discretion, deems necessary to analyze and compare proposals.

Proposals must be complete as to the requested information.

Failure to follow this format in a proposal or failure to include complete information as requested will result in a lower score and may result in rejection of the proposal.

Prepare a distinct Response for each criterion. Failure to respond directly to any criteria will result in an evaluation score of zero for that criteria. Acceptable Responses must be specific and directly related to the proposed Statement of Services. Marketing brochures, marketing resumes, and other non-project specific materials will be discarded without evaluation and should not be submitted.

Each criterion Response must be titled, numbered and assembled in the order in which the criteria are listed in Section D, so the criterion to which information applies shall be plainly evident. Material not so identified or assembled may be discarded without evaluation.

SECTION D

AWARD AND EVALUATION CRITERIA

The selection of a firm to perform the requested services will be made in accordance with Section E. Proposals will be evaluated on the basis of advantages and disadvantages to ARRC using the criteria described in this Section.

ARRC reserves the right to select the top ranked firm based solely on the scoring of the written proposals and to enter directly into negotiations with said firm. However, at its sole discretion, ARRC may require the highest ranked firms to make an oral presentation to the evaluation committee. In this event, oral presentations will be scheduled and held via video conference. The selected firms will have an opportunity to summarize the information provided in their written proposals, expand on their capabilities, experience and proposed approach and work plan and answer questions from the selection committee. It is important that the primary individuals servicing the contract are present for this presentation. Scores obtained in the initial phase will not carry over to the presentation phase. Upon completion of the oral presentations, the evaluation committee will review the material presented and determine a ranking order for the firms interviewed.

AWARD CRITERIA

1	Experience and Qualifications of the firm.	35 points
2	Personnel	35 points
4	Cost	30 points
<u>Total points (based on award criteria):</u>		<u>100 points</u>
5	Presentation (if used as identified below)	50 points
<u>Maximum total points with Presentations:</u>		<u>150 points</u>

EVALUATION CRITERIA

DESCRIPTION

WEIGHT

I. Firm Qualifications and Experience: **35 Points**

Provide a brief summary of your firm's experience and qualifications as they apply to this RFP.

1. Describe the ownership structure of the firm, including any parent, affiliated companies or joint ventures. If any changes in ownership are being contemplated, please provide details.
2. Describe your firm, its history and size; its background as it relates to providing the advisory services and performance analysis described under "Scope of Work" in this RFP; the locations in which it operates and the number of employees, both total and at each location.
3. How are you organized to service your investment consulting accounts?

4. Describe your philosophy and methodology for developing investment policy objectives. Comment on your process for recommending modifications to investment guidelines and the frequency of such modifications.
5. Describe your philosophy and methodology for recommending asset allocation alternatives. Comment on your process for assisting in the implementation of changes in asset allocation and investment management.
6. Describe your philosophy as an investment consultant and advisor regarding separate accounts and securities lending.
7. What is your philosophy on risk management and liability driven assets/investing for pension plans such as ours which are still growing?
8. What types of investment performance comparisons do you typically use and what advantages do they offer?
9. Describe the experience you have and the processes you use in assisting clients with changing and deleting investment options and/or establishing watch-lists. Is there a different approach for participant-directed plans, such as 401(k) plans, vs. employer-directed?
10. Describe the data bases used for measurement purposes and your reporting system. Was your performance reporting software generated in-house or purchased? How frequently is it updated or enhanced?
11. Provide samples of the written reports your firm produces for your clients' investment performance reviews. Describe any unique features of your performance reports. Do you include charts comparing assets/liabilities? Do you allow for customization? If so, describe.
12. Are you able to commit to meeting our expectations regarding the timeliness of quarterly written reports?
13. Does your firm provide investment management services to any of its clients? If so, do you include your own funds for measurement purposes when you produce investment performance reviews? If so, explain further.
14. Does your firm provide cash management assistance? Advice and assistance on re-balancing? Proxy voting?
15. Describe your investment manager search process. Does it vary depending on asset category?
16. Describe the methodology used to rate investment managers. How do you keep current with changes in their personnel, investment policy, methods and strategies?
17. Describe your philosophy regarding your role as a Plan fiduciary. Describe what your relationship would be with the trustee, record keeper, legal staff.
18. Describe your Committee education processes. Does education have to be requested by the Committee or do you provide regular educational training? If yes, at what typical frequency?
19. Describe any training or educational resources you can provide or recommend to Railroad staff to learn and/or keep abreast of investment management concepts and practices.

20. Describe the continuing education requirements for your personnel.

II. Personnel Qualifications & Experience: 35 Points

1. Identify and describe the pertinent experience of the individual(s) who would be involved in the performance of this contract. Describe their roles. Include resumes and give the rationale for their involvement, e.g., primary contact, back-up, search, investment policy, asset allocation. Resumes should be concise and contain information specific to this RFP. Specifically address public vs. private sector experience, and experience with labor/management (not Taft-Hartley) committees.
2. Provide the curricula vitae of key person(s) in your firm who would actually be providing services, his/her location, and list the number of clients assigned to the person(s) named.
3. Do you have a succession plan in place for key staff?

Once established, replacement of, or addition to, the Key Personnel shall be accomplished only by prior written approval from the ARRC and shall be made official by Amendment to the Contract.

III. Cost Proposal: 30 Points

1. For purposes of comparing responses to this Request for Proposal, cost shall be based on the fee for "Services" identified in Section B, Scope of Services. Please refer to Section F, Fee Schedule, to delineate fees, where applicable.
2. Your proposal should contain complete details on how your firm is to be paid for services provided. Please include a comprehensive rate sheet for services.
3. Describe any circumstances under which your firm receives fees or other compensation from investment managers.

Total Score 100 Points

Oral Presentation (Optional) 50 Points

ARRC may elect, at its sole option, to conduct presentations. Following the rating and ranking of the written proposals, the ARRC may invite up to three (3) of the top-rated firms to make oral presentations to the selection committee.

In this event, all costs associated with the preparation of presentations, such as transportation costs, lodging, etc., will be the responsibility of the contractor.

Presentation

If used, ARRC will provide an additional set of questions and will be asked to further expand on their firm's business strategies and servicing capabilities.

Upon completion of the presentations, the evaluation committee will review and score the material presented, add the additional scores to the first three criteria and determine a new ranking order for the firms invited to give presentations.

CONTRACT AWARD

Once ranking has been established, ARRC will begin negotiations with the highest ranked firm. If an agreement cannot be reached on contract terms, negotiations will be terminated, and negotiations will be conducted with the next highest ranked firm, until an agreement is reached, or until ARRC exercises its right to cancel the solicitation.

SECTION E SELECTION PROCESS

Evaluation of Proposals

Proposals will be evaluated by a committee. Evaluation of responses to criteria set forth in Section D results in a numerical score for each proposal. Each criterion has an assigned weight for this IRFP which demonstrates its relative importance. The total of all weights is 100 (100%). Each one-percent weight equates to a range of 0-5 points per Evaluator. The maximum points (score) obtainable for any proposal is equal to the product of 500 multiplied by the number of Evaluators.

1. Scoring of proposals will be accomplished as follows:

1.1 Each Evaluator will individually read and rate each Offeror's response to each criterion described in Section D - Technical Proposal. Ratings will be based solely on contents of proposal and in compliance with the ARRC's Instructions for Evaluation Committee. Except as may be stated within any criterion description, a rating of "5" = Best Response from all Offerors; "4" to "1" = Progressively Less Responsive; "0" = Non-Responsive. Ratings are multiplied by the assigned weights for each criterion to obtain criteria scores.

1.2 After completion of individual ratings, the Evaluation Committee will meet to discuss proposals. Evaluators may then alter their ratings; however, any changes shall be based solely on the criteria set forth in Section D.

1.3 After scoring Section D - Technical Proposal, criteria scores - Cost (if applicable), will be calculated based on criteria descriptions.

1.4 The total score for each Offeror will be obtained by summing the scores determined for each criterion in Section D. The order of ranking for negotiations shall be as follows: highest scored Offeror will be ranked first, next highest scored second, and etcetera.

2. Evaluators may discuss factual knowledge of, and may investigate Offerors' and proposed Subcontractors' prior work experience and performance, including projects referenced in proposal, available written evaluations, etcetera, and may contact listed references or other persons knowledgeable of a Contractor's and/or a Subcontractor's past performance. Factors such as overall experience relative to the proposed contract, quality of work, control of cost, and ability to meet schedules may be addressed. If any issues of significant concern to the proposed contract are discovered, the Committee may:

2.1 Provide written recommendations for consideration during contract negotiations;

2.2 Conduct discussions in accordance with paragraph 3, below.

3. The Committee may decide to conduct discussions (or "interviews") with responsible Offerors whose proposals are determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Offerors selected by the Committee for discussions may be permitted to submit Best and Final Offers (BAFO) for final Committee Evaluation. After discussions and any BAFO's, Evaluators will determine the final scoring and ranking for contract negotiations by evaluating written and oral responses using only the criteria set forth in Section D.

4. All Offerors will be advised of the Offeror selected for negotiation and, after completion of negotiations, a Notice of Intent to Award will be provided to all Offerors. If contract negotiations are unsuccessful with Offeror(s) selected for negotiation, the Contracting Agency may either cancel the solicitation or negotiate with other Offerors in the order of ranking.

**SECTION F
FEE SCHEDULE**

An Offeror's failure to provide the information requested in this section shall be reason to reject the proposal in its entirety. Cost will be calculated for the purposes of this proposal on the total annual fee for regular services.

Proposed Fees	ARRC Pension Plan	ARRC Post-Retirement Healthcare Plan	ARRC Defined Contribution Plans	Total
Services*				
Asset Allocation Study			N.A.	
Investment Manager Search (per search)**				
Implementation of Investment Manager Change (Transition Management)				
Other: Please specify				
Total Annual Fee				\$

*Includes quarterly reporting for each

** If the cost varies by type of search, please specify

Include a rate sheet that shows fully burdened hourly rates for personnel who may work on this contract. These rates are informational only and will be used for any additional services the committee may request, they will not be used for evaluation purposes.

Include estimated travel costs on your rate sheet, you may assume 2 trips per year to Anchorage, Alaska. These rates are informational only, they will be used for project budgeting, they will not be used for evaluation purposes.

COMPANY NAME

SIGNATURE BY AND FOR THE BIDDER

COMPANY ADDRESS

PRINTED NAME OF ABOVE BIDDER

DATE OF BID

CONTACT PHONE NUMBER

CONTACT EMAIL

SECTION G

**ALASKA RAILROAD CORPORATION
FORMAL SERVICE BID FORM of**

NAME _____

ADDRESS _____

To the CONTRACTING OFFICER, ALASKA RAILROAD CORPORATION:

In compliance with your Informal Request for Proposals No. _____, dated _____, the Undersigned proposes to furnish and deliver all the services and perform all the work required in said Invitation according to the scope of work and requirements contained therein and for the amount and prices named herein as indicated on the Cost Schedule, which is made a part of this contract.

The Undersigned hereby agrees to execute said contract and bonds, if any, within **Ten (10) Calendar Days**, or such further time as may be allowed in writing by the Contracting Officer, after receiving notification of the acceptance of this proposal, and it is hereby mutually understood and agreed that in case the Undersigned does not, the accompanying proposal guarantee, if any, shall be forfeited to the Alaska Railroad Corporation, and said Contracting Officer may proceed to award the contract to others.

The Undersigned agrees to commence performance within **Ten (10) Calendar Days** after the effective date of the Notice to Proceed and to complete performance by _____, unless extended in writing by the Contracting Officer.

The Undersigned acknowledges receipt of the following addenda to the requirements and/or scope of work for this Informal Request for Proposals (give number and date of each).

Addenda Number	Date Issued	Addenda Number	Date Issued	Addenda Number	Date Issued
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

NON-COLLUSION AFFIDAVIT

The Undersigned declares, under penalty of perjury under the laws of the United States, that neither he/she nor the firm, association, or corporation of which he/she is a member, has, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with this proposal.

The Undersigned has read the foregoing proposal and hereby agrees to the conditions stated therein by affixing his/her signature below:

Name and Title of Person Signing

Signature

Telephone Number

Facsimile Number

SECTION H – CONTRACTOR RESPONSIBILITY QUESTIONNAIRE

CONTRACTOR RESPONSIBILITY QUESTIONNAIRE

PART I - INSTRUCTIONS

1. All Bidders/Proposers submitting a Bid/Proposal for federally funded contracts are to complete and submit all Parts of this Questionnaire with their Bid or Proposal. Failure to complete and return this questionnaire, any false statements, or failure to answer question when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. All information must be legible.
2. Please state "not applicable" in questions clearly not applicable to Bidder/Proposer in connection with this solicitation. Do not omit any question.
3. The completed Questionnaire must be sworn to by a partner (if partnership), a duly authorized officer or individual (if a corporation or LLC), or a principal (if a sole proprietorship).
4. The term "Proposer" includes the term "Bidder" and also refers to the firm awarded the Contract. The term "Proposal" includes the term "Bid".
5. ARRC reserves the right to inquire further with respect to Proposer's responses; and Proposer consents to such further inquiry and agrees to furnish all relevant documents and information as requested by ARRC. Any response to this document prior or subsequent to Proposer's Proposal which is or may be construed as unfavorable to Proposer will not necessarily automatically result in a negative finding on the question of Proposer's responsibility or a decision to terminate the contract if it is awarded to Proposer.

PART II - IDENTITY OF PROPOSER

1. Proposer's Full Legal Name: _____
2. The Proposer represents that it operates as the following form of legal entity: (Check whichever applies and fill in any appropriate blanks.)
 - an individual or sole proprietorship
 - a general partnership
 - a limited partnership
 - a joint venture consisting of: _____
and _____
(List all joint ventures on a separate sheet if this space is inadequate.)
 - a non-profit organization
 - a corporation organized or incorporated under the laws of the following state or country: _____ on the following date: _____
 - a limited liability company organized under the laws of the following state or country: _____ on the following date: _____
3. Proposer's federal taxpayer identification number: _____

4. Proposer's Alaska business license number: _____

5. Proposer's contractor's license number (for construction only): _____

6. Proposer's legal address: _____

Telephone Number: (____) _____ Fax Number: (____) _____

7. Proposer's local or authorized point of contract address:

Name: _____ Title: _____

Address: _____

Telephone Number: (____) _____ Email: _____

8. How long has the Proposer been in business? _____

9. Has Proposer been in business under another name? If so, identify name and dates used.

10. Does your firm consider itself to be an MBE, WBE or DBE?

YES NO

If answer is "YES," attach a copy of certification.

11. Number of employees: _____ including _____ employees in the State of Alaska.

PART III-CONTRACTING HISTORY

1. Has the Proposer been awarded any contracts within the last five years by ARRC, the State of Alaska, or any other public entity for the same or reasonably similar goods or services sought by this solicitation? If none, answer "No". If yes, on a separate sheet of paper describe those contracts beginning with the most recent. State the name of the contracting entity; give a brief description of the contract and the contract number, the dollar amount at award and at completion, date completed; state the contract period, the status of the contract, and the name, address, and telephone number of a contact person at the agency. Indicate if award was made to Proposer as prime contractor or joint venture. Proposer need not provide more than three such descriptions.

YES NO

2. Has the Proposer been awarded any private sector contracts within the last five years for the same or reasonably similar goods or services sought by this solicitation? If none, answer "No." If yes, on a separate sheet of paper provide the name and address of the contracting entity, a brief description of work, the dollar amount at award and at completion, date completed, status of the contract and name, address and telephone number of contact person as to each, beginning with the most recent. Indicate if Proposer acted as prime contractor or joint venture. Proposers need not provide more than three such descriptions.

YES NO

NOTE: ANY "YES" ANSWERS TO #3 BELOW MUST BE FULLY EXPLAINED ON A SEPARATE SHEET OF PAPER AND ATTACHED TO THIS QUESTIONNAIRE.

3. In the past five years has the Proposer been the subject of any of the following actions?

A. Been suspended, debarred, disqualified, or otherwise declared ineligible to bid?

YES NO

B. Failed to complete a contract for a public or private entity?

YES NO

C. Been denied a low-bid contract in spite of being the low bidder?

YES NO

D. Had a contract terminated for any reason, including default?

YES NO

E. Had liquidated damages assessed against it during or after completion of a contract?

YES NO

F. Been a defaulter, as principal, surety or otherwise?

YES NO

G. Been denied an award of a public contract based upon a finding by a public agency that your company was not a responsible contractor?

YES NO

H. A public entity requested or required enforcement of any of its rights under a surety agreement on the basis of your company's default or in lieu of declaring your company in default?

YES NO

I. Been denied a performance or payment bond by a surety company?

YES NO

J. Been required to pay back wages and/or penalties for failure to comply with state or federal prevailing wage or overtime laws?

YES NO

4. Does Proposer currently possess the financial, organizational, technical, equipment,

facilities, and other resources necessary to supply the goods or services sought by this solicitation? If no, on a separate sheet of paper describe how you intend to obtain the resources necessary to supply the goods or services sought by this solicitation.

YES NO

5. Does Proposer have any present or anticipated commitments and/or contractual obligations that might impact its ability to meet the required delivery or performance requirements of this solicitation? If yes, on a separate sheet of paper describe any apparent conflicts as between the requirements/commitments for this solicitation with respect to the use of Proposer's resources, such as management, technical expertise, financing, facilities, equipment, etc.

YES NO

PART IV-CIVIL ACTIONS

If "Yes" to Parts IV or V, provide details on a separate sheet of paper including a brief summary of cause(s) of action; indicate if Proposer, its principals, officers or partners were plaintiffs or defendants; define charges explicitly, by what authority, court or jurisdiction, etc. In the case of tax liens, please indicate whether the liens were resolved with the tax authorities. Please submit proof of payment or agreements to pay the liens. Complete details are required!

1. Violations Of Civil Law. In the past five years has Proposer, any of its principals, officers or partners been the subject of an investigation of any alleged violation of a civil antitrust law, or other federal, state or local civil law?

YES NO

2. Lawsuits With Public Agencies. At the present time is, or during the past five years has Proposer, any of its principals, officers or partners been a plaintiff or defendant in any lawsuit or arbitration regarding services or goods provided to a public agency?

YES NO

3. Bankruptcy. During the past five years, has the Proposer filed for bankruptcy or reorganization under the bankruptcy laws?

YES NO

4. Judgments, Liens And Claims. During the past five years, has the Proposer been the subject of a judgment, lien or claim of \$25,000 or more by a subcontractor or supplier?

YES NO

5. Tax Liens. During the past five years, has the Proposer been the subject of a tax lien by federal, state or any other tax authority?

YES NO

PART V-COMPLIANCE WITH LAWS AND OTHER REGULATIONS

1. Criminal: In the past five years has the Proposer, any of its principals, officers, or partners been convicted or currently charged with any of the following:

A. Fraud in connection with obtaining, attempting to obtain, or performing a public contract, agreement or transaction?

YES NO

B. Federal or state antitrust statutes, including price fixing collusion and bid rigging?

YES NO

C. Embezzlement, theft, forgery, bribery, making false statements, submitting false information, receiving stolen property, or making false claims to any public agency?

YES NO

D. Misrepresenting minority or disadvantaged business entity status with regard to itself or one of its subcontractors?

YES NO

E. Non-compliance with the prevailing wage requirements of the State of Alaska or similar laws of any other state?

YES NO

F. Violation of any law, regulation or agreement relating to a conflict of interest with respect to a government funded procurement?

YES NO

G. Falsification, concealment, withholding and/or destruction of records relating to a public agreement or transaction?

YES NO

H. Violation of a statutory or regulatory provision or requirement applicable to a public or private agreement or transaction?

YES NO

I. Do any principals, officers or partners in Proposer's company have any felony charges pending against them that were filed either before, during, or after their employment with the Proposer?

YES NO

2. Regulatory Compliance. In the past five years, has Proposer or any of its principals, officers or partners:

A. Been cited for a violation of any labor law or regulation, including, but not limited to, child labor violations, failure to pay correct wages, failure to pay into a trust account, failure to remit or pay withheld taxes to tax authorities or unemployment insurance tax delinquencies?

YES NO

B. Been cited and assessed penalties for an OSHA or Alaska/OSHA "serious violation"?

YES NO

C. Been cited for a violation of federal, state or local environmental laws or regulations?

YES NO

D. Failed to comply with Alaska corporate registration, federal, state or local licensing requirements?

YES NO

E. Had its corporate status, business entity's license or any professional certification, suspended, revoked, or had otherwise been prohibited from doing business in the State of Alaska?

YES NO

PART VI-FINANCIAL

Copies of the following documents are to be submitted with this Questionnaire:

1. Proposer's current Alaska Business License, if required by state law.
2. Proposer's Financial Statements may be requested:

A. PUBLICLY TRADED COMPANIES: Financial information will be accessed on-line. However, if additional information is needed, it will be specifically requested from the Proposer.

B. NON-PUBLICLY TRADED COMPANIES WITH AUDITED OR REVIEWED FINANCIAL STATEMENTS: Statements, including balance sheet, statement of earnings and retained income, with footnotes, for the most recent three years **may be requested.**

NOTE: ARRC reserves the right to ask for additional documentation if it is reasonably required to make a determination of integrity and responsibility relevant to the goods or services the Proposer will provide to ARRC if awarded a contract. All financial information provided is considered confidential and not subject to public disclosure under Alaska law.

SECTION I

GENERAL TERMS AND CONDITIONS (Professional Service Contracts) (Revised 3/4/08)

1. Definitions.

“ARRC” shall mean the Alaska Railroad Corporation.

“Contractor” shall mean the person or entity entering into the contract to perform the work or services specified therein for ARRC.

“Contract” shall mean these General Terms and Conditions, the contract form to which they are annexed, and all other terms, conditions, schedules, appendices or other documents attached to the contract form or incorporated by reference therein.

“Services” shall mean any work, direction of work, technical information, technical consulting or other services, including but not limited to design services, analytical services, consulting services, construction management services, engineering services, quality assurance and other specialized services furnished by Contractor to ARRC under the contract.

2. Inspection and Reports. ARRC may inspect all of the Contractor's facilities and activities under this contract in accordance with the provisions of ARRC Procurement Rule 1600.9. The Contractor shall make progress and other reports in the manner and at the times ARRC reasonably requires.

3. Claims. Any claim by Contractor for additional compensation or equitable adjustment arising under this contract which is not disposed of by mutual agreement must be made by Contractor in accordance with the time limits and procedures specified in sections 1800.12 et seq. of ARRC's Procurement Rules, which by this reference are hereby incorporated herein.

4. Nondiscrimination.

4.1 The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental handicap, sex, marital status, change in marital status, pregnancy or parenthood when the reasonable demands of the positions do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. To the extent required by law, 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, physical or mental handicap, age, sex, 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 cooperate fully with ARRC efforts which seek to deal with the problem of unlawful discrimination, and with all other ARRC 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.

4.3 Full cooperation in Paragraph 4.2 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.

4.4 Failure to perform under this section constitutes a material breach of the contract.

5. Cancellation/Termination.

5.1 ARRC may, for its sole convenience, cancel this contract in whole or in part, at any time by giving written notice of its intention to do so. In the event of such cancellation, Contractor shall be entitled to receive payment in accordance with the payment provisions of this contract for services rendered or charges incurred prior to the effective date of termination. Contractor shall not be paid for any work done after receipt of a notice of cancellation or for any costs incurred by Contractor's suppliers or subcontractors which Contractor could reasonably have avoided. In no event shall ARRC be liable for unabsorbed overhead or anticipatory profit on unperformed services.

5.2 In addition to ARRC's right to cancel this contract for its convenience, ARRC may, by written notice of default to Contractor, terminate the contract in whole or in part in the following circumstances:

(1) The Contractor refuses or fails to perform its obligations under the contract, or fails to make progress so as to significantly endanger timely completion or performance of the contract in accordance with its terms, and Contractor does not cure such default within a period of ten (10) days after receipt of written notice of default from ARRC or within such additional cure period as ARRC may authorize; or

(2) Reasonable grounds for insecurity arise with respect to Contractor's expected performance and Contractor fails to furnish adequate assurance of due performance (including assurance of performance in accordance with the time requirements of the contract) within ten (10) days after receipt of a written request by ARRC for adequate assurance; or

(3) Contractor becomes insolvent or makes an assignment for the benefit of creditors or commits an act of bankruptcy or files or has filed against it a petition in bankruptcy or reorganization proceedings.

5.3 Upon receipt of a notice of cancellation or termination, Contractor shall immediately discontinue all service and it shall immediately cause any of its suppliers or subcontractors to cease such work unless the notice directs otherwise and deliver immediately to ARRC all reports, plans, drawings, specifications, data, summaries or other material and information, whether completed or in process, accumulated by Contractor in performance of the

contract. In the event of termination for default, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the amount to be paid on this contract exceeds the expense of finishing the work, compensation for additional managerial and administrative services and such other costs and damages as ARRC may suffer as a result of Contractor's default, such excess shall be paid to Contractor. If such expense, compensation, costs and damages shall exceed such unpaid balance, Contractor shall be liable for and shall pay the differences to ARRC. The rights and remedies of ARRC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

6. No Assignment or Delegation. The Contractor may not assign, subcontract 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 prior written consent of ARRC. The hiring or use of outside services, subcontractors or consultants in connection with the work shall not be permitted without the prior written approval of ARRC. No such approval shall relieve Contractor from any of its obligations or liabilities under this contract.

7. Independent Contractor. The Contractor's relationship to ARRC in performing this contract is that of an independent contractor and nothing herein shall be construed as creating an employer/employee relationship, partnership, joint venture or other business group or concerted action. The personnel performing services under this contract shall at all times be under Contractor's exclusive direction and control and shall be employees of the Contractor, and not of ARRC.

8. Payment of Taxes. As a condition of performance of this contract, the Contractor shall pay all federal, state, and local taxes incurred by the Contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by ARRC under this contract.

9. Ownership of Work Product. Except for items that have preexisting copyrights, all exhibits, drawings, plans, specifications, notes, reports, data, recommendations, artwork, memoranda and any other information prepared or furnished by Contractor to ARRC in the performance of this contract (collectively "Work Product") shall become the property of ARRC and may be used by ARRC for any other purpose without additional compensation to the Contractor. Contractor hereby grants ARRC an irrevocable, perpetual, royalty-free, fully assignable license (with full sublicense rights) to use all proprietary and confidential information and other intellectual property that may be incorporated into any of Contractor's Work Product for ARRC. Should ARRC elect to reuse said Work Product, ARRC shall indemnify, hold harmless and defend Contractor and its subcontractors against any damages or liabilities arising from said reuse. When Work Product produced by the Contractor and its Subcontractors under this Contract are reused by ARRC, the Contractor's and Subcontractor's signatures, professional seals, and dates shall be removed. If such Work Product requires professional signature and seal, it will be signed, sealed, and dated by the professional who is in direct supervisory control and responsible for the new project for which such Work Product is being reused.

Contractor hereby represents and warrants to and for the benefit of ARRC and its successors and assigns that no part of its work product for ARRC will infringe any patent rights or copyrights or utilize any proprietary, confidential or trade secret information or other intellectual property for which Contractor does not have the unqualified right to grant ARRC the license and sublicensing rights referred to above. Contractor shall defend, indemnify and hold harmless ARRC, its successors and assigns, and their respective representatives, agents and employees from and against, any and all claims, defenses, obligations and liabilities which they may have or acquire

under or with respect to any patent, copyright, trade secret, proprietary or confidential information, or any other form of intellectual property that may be asserted by Contractor or any other person which arises out of, results from or is based upon the manufacture, use or sale by ARRC or any of its successors or assigns of any of Contractor's work product for ARRC. ARRC shall have the right to select its legal counsel and control its defense in any litigation resulting from any such claim.

10. Governing Law. This contract, and all questions concerning the capacity of the parties, execution, validity (or invalidity) and performance of this contract, shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Alaska.

11. Alaska Executive Branch Ethics Act Requirements. No officer or employee of the State of Alaska or of the ARRC and no director of the ARRC or legislator of the state shall be admitted to any share or part of this contract or to any benefit that may arise therefrom. Contractor shall exercise reasonable care and diligence to prevent any actions or conditions which could be a violation of Alaska Statute 39.52 et seq. Contractor shall not make or receive any payments, gifts, favors, entertainment, trips, secret commissions, or hidden gratuities for the purpose of securing preferential treatment or action from or to any party. This obligation will apply to the activities of Contractor's employees and agents in their relations with ARRC employees, their families, vendors, subcontractors, and third parties arising from this contract and in accomplishing work hereunder. Certain gratuities may be given or accepted if:

- (1) there is no violation of any law or generally accepted ethical standards;
- (2) the gratuity is given as a courtesy for a courtesy received and does not result in any preferential treatment or action;
- (3) the gratuity is of limited value (less than \$150) and could not be construed as a bribe, payoff or deal; and
- (4) public disclosure would not embarrass ARRC.

ARRC may cancel this contract without penalty or obligation in the event Contractor or its employees violate the provisions of this section.

12. Non-Disclosure of Confidential Information. Contractor acknowledges and agrees that for and during the entire term of this contract, any information, data, figures, projections, estimates, reports and the like received, obtained or generated by Contractor pursuant to the performance of this contract shall be considered and kept as the private, confidential and privileged records of ARRC and will not be divulged to any person, firm, corporation, regulatory agency or any other entity except upon the prior written consent of ARRC. Furthermore, upon termination of this contract, Contractor agrees that it will continue to treat as private, privileged and confidential any information, data, figures, projections, estimates, reports and the like received, obtained or generated by Contractor during the term of the contract and will not release any such information to any person, firm, corporation, regulatory agency or any other entity, either by statement, deposition or as a witness except upon the express written authority of ARRC. ARRC shall be entitled to an injunction by any competent court to enjoin and restrain the unauthorized disclosure of such information.

Contractor's agreement of non-disclosure as specified in this section applies except to the extent required for (1) performance of services under this contract; (2) compliance with professional

standards of conduct for preservation of the public safety, health, and welfare (so long as Contractor has given ARRC prior notice of the potential hazard and ARRC has had a reasonable opportunity to correct the hazard prior to disclosure); (3) compliance with a court order or subpoena directed against Contractor (so long as Contractor has given ARRC prior notice of such and ARRC has had an opportunity to contest the same in a court of law); or (4) Contractor's defense against claims arising from performance of services under this contract.

13. Covenant Against Contingent Fees. Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this contract, and that it has not paid or agreed to pay any person, company, individual, or firm any commission, gift, percentage, fee, contingent upon or resulting from the award or making of this contract. For the breach or violation of this warranty, ARRC may terminate this contract without liability and, at its discretion, deduct from the contract price or otherwise recover the full amount of the commission, percentage, gift, or fee.

14. Standard of Performance. Contractor shall perform its services with care, skill and diligence in accordance with normally accepted industry standards and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, designs, drawings, plans, information, specifications and other items and services furnished under this Contract. Contractor shall comply with all applicable federal, state and local laws and ordinances, codes, and regulations in performing its services. If any failure to meet the foregoing standard of performance appears within one (1) year after the services are accepted by ARRC, Contractor shall, at a minimum, re-perform the work at no cost to ARRC and shall reimburse ARRC for any additional costs that may be incurred by ARRC or any of its contractors or subcontractors as a result of such substandard work. If Contractor should fail to re-perform the work, or if ARRC determines that Contractor will be unable to correct substandard services before the time specified for completion of the project, if any, ARRC may correct such unsatisfactory work itself or by the use of third parties and charge Contractor for the costs thereof. The rights and remedies provided for in this section are in addition to any other remedies provided by law.

15. Warranty. In the event Contractor supplies equipment, goods, materials or other supplies in addition to services under this contract, Contractor warrants that said items: (a) shall be of good quality and free from all defects and deficiencies in workmanship, material and design; (b) shall be fit, suitable and operate successfully for their intended purpose; (c) shall be new; (d) shall be free from all liens, claims, demands, encumbrances and other defects in title; and (e) shall conform to the specifications, if any, stated in the contract. Contractor shall honor all guarantees and warranties offered by the manufacturer of the equipment, goods, materials or other supplies provided under this contract. The rights and remedies provided for in this section are in addition to any other remedies provided by law.

16. Indemnification. Contractor shall defend, indemnify and hold ARRC harmless from and against all claims and actions asserted by a third party (or parties) and related damages, losses and expenses, including attorney's fees, arising out of or resulting from the services performed or neglected to be performed by Contractor or anyone acting under its direction or control or in its behalf in the course of its performance under this contract and caused by any error, omission or negligent act, provided that Contractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability based upon the independent negligence of ARRC. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of ARRC, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. The term "independent negligence" is negligence other than ARRC's

selection, administration, monitoring, or controlling contractor and in approving or accepting Contractor's work.

17. Insurance. Without limiting Contractor's indemnification, it is agreed that 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, ARRC shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the ARRC contracting officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Contractor's services.

17.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees of the Contractor engaged in work under this contract, worker's compensation insurance as required by applicable law. The Contractor shall be responsible for worker's compensation insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S.L. & H. and Jones Acts) must also be included.

17.2 Comprehensive (Commercial) General Liability Insurance: With coverage limits not less than \$1,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements. Said policy shall name ARRC as an additional insured and contain a waiver of subrogation against ARRC and its employees.

17.3 Comprehensive Automobile Liability Insurance: Covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage. Said policy shall name ARRC as an additional insured and contain a waiver of subrogation against ARRC and its employees.

17.4 Professional Liability (E&O) Insurance: Covering all errors, omissions or negligent acts of the Contractor, its subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to ARRC. Limits required are per the following schedule:

<u>Contract Amount</u>	<u>Minimum Required Limits</u>
Under \$100,000	\$ 500,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$1,000,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$2,000,000 per Occurrence/Annual Aggregate
Over \$1,000,000	Negotiable-Refer to Risk Management

18. ARRC's Rights Not Waived by Payment. No payment made by ARRC shall be considered as acceptance of satisfactory performance of Contractor's obligations under this contract. Nor shall any payment be construed as acceptance of substandard or defective work or as relieving Contractor from its full responsibility under the contract.

19. Non-waiver. A party's failure or delay to insist upon strict performance of any of the provisions of this contract, to exercise any rights or remedies provided by this contract or by law, or to notify the other party of any breach of or default under this contract shall not release or relieve the breaching or defaulting party from any of its obligations or warranties under this contract and shall not be deemed a waiver of any right to insist upon strict performance of this contract or any of the rights or remedies as to any subject matter contained herein; nor shall any purported oral modification or rescission of this contract operate as a waiver of any of the provisions of this contract. The rights and remedies set forth in any provision of this Agreement are in addition to any other rights or remedies afforded the non-breaching or non-defaulting party by any other provisions of this contract, or by law.

20. Savings Clause. If any one or more of the provisions contained in the contract shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this contract, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

21. Headings. The headings of sections and paragraphs of this contract are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

22. Forum Selection. The parties shall not commence or prosecute any suit, proceeding or claim to enforce the provisions of the contract, to recover damages for breach or default under the contract, or otherwise arising under or by reason of the contract, other than in the courts of the State of Alaska for the Third Judicial District at Anchorage. The parties hereby irrevocably consent to the jurisdiction of said courts.

23. Conflict of Interest. Contractor shall act to prevent any actions or conditions which could result in a conflict with ARRC's best interests. This obligation shall apply to the activities of Contractor's employees and agents in their relationships with ARRC's employees, their families, vendors, subcontractors and third parties accomplishing work under this contract.

24. Publicity. Contractor shall not release any information for publication or advertising purposes relative to this contract or to the material, equipment and/or services furnished under this contract without the prior written consent of the ARRC.

25. Audit. ARRC has the right to audit at reasonable times the accounts and books of the Contractor in accordance with the provisions of ARRC Procurement Rule 1600.10.

26. Internal Controls and Record Keeping. Contractor shall keep full and accurate records and accounts of all of its activities in connection with this contract, including, without limitation, reasonable substantiation of all expenses incurred and all property acquired hereunder.

27. Force Majeure. Neither ARRC nor Contractor shall be responsible for failure to perform the terms of this contract when performance is prevented by force majeure, provided that: (1) notice and reasonably detailed particulars are given to the other party and (2) the cause of such failure or omission is remedied so far as possible with reasonable dispatch. The term "force majeure" shall mean acts of God, earthquakes, fire, flood, war, civil disturbances, governmentally imposed rules, regulations or other causes whatsoever, whether similar or dissimilar to the causes herein enumerated, which is not within the reasonable control of either party and which through the exercise of due diligence, a party is unable to foresee or overcome. In no event shall force majeure include normal or reasonably foreseeable or reasonably avoidable operational delays.

28. Permits and Licenses The Contractor shall, at its own expense, obtain all necessary permits, licenses, certifications and any other similar authorizations required or which may become required by the government of the United States or any state or by any political subdivision of the United States or of any state except where laws, rules or regulations expressly require the ARRC to obtain the same.

29. Environmental Protection. When performing all obligations under the contract, Contractor shall comply with all specific instructions of ARRC with regard to environmental concerns, regardless of whether such instructions are based upon specific law, regulation or order of any governmental authority.

30. Set Off. If ARRC has any claim against the Contractor related or unrelated to this contract, it may set off the amount of such claim against any amount due or becoming due under this contract.

31. Observance of Rules. The contractor's personnel performing work or services hereunder on ARRC's premises shall observe all fire prevention, security, and safety rules in force at the site of the work.

32. No Third-Party Beneficiary Rights. No provision of this contract shall in any way inure to the benefit of any third parties (including the public at large) so as to constitute any such person a third-party beneficiary of the contract or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

33. Entire Agreement. This contract represents the entire and integrated agreement between ARRC and the Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. This contract may be amended only by a written instrument signed by both ARRC and the Contractor.

34. Key Personnel Changes. Contractor shall secure prior written approval from ARRC for any changes of key personnel assigned to perform services under this contract. ARRC reserves the right to reject any of Contractor's employees whose qualifications and/or experience in ARRC's good faith and reasonable judgment do not meet the standards necessary for the performance of the services required under this contract.