



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Ave.
Anchorage, AK 99501
Phone 907-265-2481
ERICKSONT@AKRR.COM

May 16, 2019

REQUEST FOR PROPOSAL 19-28-207357

**FINANCIAL ADVISOR SERVICES - TAX EXEMPT BONDING AND OTHER
FINANCIAL ADVISORY SERVICES**

Response Requested,

This form must be completed and returned to ensure receipt of future addenda or additional information. Email this form to: EricksonT@akrr.com. All addenda will be forwarded to the contact name and number listed below.

Firms that have not returned this cover sheet will not be informed of addendums and will only be alerted to addendums by checking with the ARRC procurement officer or by checking ARRC's internet site: www.alaskarailroad.com, select "I AM... a Supplier" and then Solicitations.

Bidders must acknowledge the receipt of all issued addendums in their proposal/bid submittal.

Company _____

Address _____

Contact _____

Phone _____

Fax _____

Email _____

Website _____



ALASKA RAILROAD CORPORATION

327 W. Ship Creek Ave.

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REQUEST FOR PROPOSALS

19-28-207357

The Alaska Railroad Corporation (ARRC) is soliciting proposals from interested concerns for the following:

FINANCIAL ADVISOR SERVICES - TAX EXEMPT BONDING AND OTHER FINANCIAL ADVISORY SERVICES

Sealed proposals, **one (marked) original, four copies, and one electronic copy** will be received until **3:00 pm local time, June 7, 2019**. The envelope used for the submittal of your proposal shall be plainly marked with the following information:

1. Offeror's name.
2. RFP number 19-28-207357.
3. Date and time scheduled for the receipt of offers.
4. Sealed Proposal: Financial Advisor Services-Tax Exempt Bonding and Other Financial Advisory Services

ARRC may award a contract resulting from this solicitation to the responsible offeror whose proposal conforming to this solicitation will be most advantageous to the ARRC.

ARRC may reject any or all proposals if such action is in the best interest of ARRC, and waive informalities and minor irregularities in proposals received. ARRC may award a contract on the basis of initial proposals without discussions. Therefore, each proposal should contain the offeror's best terms from a cost or price and technical standpoint. Any contract resulting from this solicitation shall incorporate the Standard Terms and Conditions contained in this solicitation package.

This Request for Proposals is not to be construed as a commitment of any kind nor does it commit ARRC to pay for any cost incurred in the submission of a proposal or for any other cost incurred prior to the execution of a formal contract.

Bidder's responsibility: ARRC shall not be held responsible for Bidder's lack of understanding of what is required by this bid. Should a Bidder not understand any aspect of this bid, or require further explanation, or clarification regarding the intent or requirements of this bid, it shall be the responsibility of the Bidder to seek guidance from the ARRC.



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.

Please direct all responses and/or questions concerning this Request for Proposals to Thomas Erickson, Alaska Railroad Corporation, Supply Management Dept., 327 Ship Creek Avenue, Anchorage, AK 99501, telephone number (907) 265-2481, fax number (907) 265-2439.

Sincerely,

Thomas Erickson
Director, Supply Management

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SECTION A

BACKGROUND INFORMATION

The Alaska Railroad Corporation (“ARRC”) is a non-stock government corporation that was established by Alaska Statute 42.40 to own and operate the Alaska Railroad after the Railroad was transferred from federal to state ownership in 1985 pursuant to the terms of the Alaska Railroad Transfer Act, 45 U.S.C. 1201 et seq. The ARRC is an instrumentality of the State of Alaska within the Department of Commerce, Community and Economic Development, but has a legal existence separate from and independent of the State. ARRC is obligated to carry out its responsibilities on a self-sustaining basis without operating subsidies from the State. The powers of the ARRC are vested in a seven-member Board of Directors, appointed by Alaska’s Governor.

ARRC is the last full service railroad in the United States, providing year round freight and passenger services over 611 miles of track stretching from tidewater at Whittier and Seward to the interior of Alaska. Additionally, the ARRC owns approximately 36,000 acres of land used in operations or available for lease or permit use.

Pursuant to AS 42.40.250, ARRC has the authority, upon receiving legislative approval, to issue bonds to provide funds to carry out its purposes. Before issuing bonds, AS 42.40.600 requires ARRC to retain a financial advisor independent from the transaction’s underwriter to assist it in negotiating the private or public sale of bonds to an underwriter.

The Alaska Railroad Transfer Act grants the ARRC the authority to issue tax-exempt bonds and, uniquely, provides that such bonds will not be treated as private activity bonds. ARRC currently has \$78.7 million in public debt outstanding rated A3/A. From time to time, ARRC explores opportunities to refinance outstanding bonds or to issue tax-exempt bonds to finance certain large capital projects that would require the retention of a financial advisor. In the past, the Alaska State Legislature has authorized ARRC to issue bonds for the following purposes:

- To finance the construction of a pipeline and related facilities to transport Alaska North Slope natural gas. This authorization permits ARRC to issue up to \$17 billion in nonrecourse, tax-exempt bonds to be secured by agreements with gas producers or other entities. To date, no bonds have been issued.
- To extend ARRC’s rail line to Fort Greely, Alaska. This authorization permits ARRC to issue up to \$500 million in nonrecourse, tax-exempt bonds to be secured by an agreement with the federal government. To date, no bonds have been issued.
- To finance the rehabilitation and improvements of the track infrastructure from Anchorage to Fairbanks, the development of collision avoidance technology (the predecessor to PTC), and to acquire and/or rehabilitate certain passenger equipment. This authorization was the subject of the 2006 and 2007 bond issues.
- To finance a positive train control (PTC) rail transportation safety project that qualifies for federal financial participation and associated costs. This authorization was the subject of the 2015 bond issue, which also included an advance refunding of the 2006 and 2007 issue maturities outstanding.

Respondents to this Request for Proposals (RFP) may wish to review the ARRC's enabling statute, AS 42.40 and the federal Alaska Railroad Transfer Act. Further information about ARRC, including annual reports, may also be found at our web site at <http://www.alaskarailroad.com/corporate/leadership/reports>.

SECTION B

SCOPE OF SERVICES

The Alaska Railroad Corporation (ARRC) is seeking proposals from qualified Financial Advisor firms interested in providing independent financial advisor services to the ARRC related to the authorization, sale, issuance, and delivery of tax-exempt bonds as well as other corporate finance advisory services. These services include, but are not limited to the following:

1. The Financial Advisor shall provide assistance in planning, analysis, issuance, delivery, and after-sale evaluation of tax-exempt bonds for ARRC, whether issued for ARRC's direct benefit or on a conduit basis.

2. The Financial Advisor shall confer with the ARRC's bond counsel, audit firm, underwriting team, management, and other stakeholders as directed by ARRC as may be necessary in connection with the planning, issuance, and delivery of bonded indebtedness.

3. The Financial Advisor will develop and present specific recommendations about the details of bond issues to provide for maximum benefit to ARRC. This may include, but not limited to, recommendations about:

- Principal amounts
- Dates
- Interest rates, including the use of fixed or variable rate bonds
- Maturity schedules
- Call features
- Revenues
- Flow of funds
- Coverage requirements
- Security provisions, including credit enhancements
- Other covenants
- Derivative products

4. The Financial Advisor shall maintain liaison with the rating agencies and coordinate and assist in presentations on ARRC's behalf.

5. The Financial Advisor will assist the ARRC in monitoring arbitrage and tax-related matters concerning issued bonds.

6. The Financial Advisor shall attend all necessary conferences that may be required in connection with the authorization, issuance, and delivery of bonds.

7. Financial Advisor services related to specific types of transactions are as follows:

Negotiated Sales:

Services to be provided are expected to include, but not limited to, the following:

- Assist ARRC in drafting and evaluating responses to requests for specific financing proposals received from qualified underwriters.

- Review detailed financing memoranda prepared by the managing underwriters, outline changes, and identify points requiring further negotiation. (For example, provide commentary with respect to such items as the call features, coverage requirements, proposed reserve requirements, maturities and sinking fund schedules)
- Review and comment on all related security documents, including those prepared by counsel to the underwriter, the ARRC, or other participants including, but not limited to, the bond indenture, board resolutions, investment agreements, bond purchase agreements, and credit enhancement documents.
- Assist ARRC and/or ARRC's contractors in developing systems and information to support bond sales.
- Review the format and content of the draft official statement or offering circular and recommend changes to the form and content considered necessary or desirable to enhance the marketability of the financing and to comply with disclosure requirements.
- Monitor the schedule and progress of activities during each financing to assist the ARRC in meeting established deadlines.
- Assist, when requested by the ARRC, in presentations or provide requested information to the ARRC's Board of Directors, State Legislature, rating agencies and credit enhancers.
- Independently review the recommendations of the managing underwriter with respect to the timing for the sale of the bonds.
- Provide an independent review of the proposed pricing and other offering terms recommended by the managing underwriter including the components and details of the underwriting discount.
- Review all factors as they may influence the final underwriting proposal, including but not limited to:
 - 1) Accumulation of presale orders;
 - 2) Prevailing market conditions and near term market trends;
 - 3) Support from the underwriting account;
 - 4) Recommended original issue discounts and premium; and
 - 5) Interest rates and underwriting discounts on comparable offerings.
- Assess the performance of the underwriting group and the final terms of the purchase agreement submitted by the underwriting account, in order to assist the ARRC in obtaining the most advantageous price available for its bonds.
- Recommend acceptance or rejection of the underwriting proposal.
- Review the proposed arrangements for closing and delivery of the bonds and review the planned investment of bond proceeds.

- Prepare and distribute, upon request by the ARRC, investment agreement bid requests, evaluate responses and make appropriate recommendations.
- Review and evaluate the marketing effort of underwriters and the market acceptance of the bonds. Provide recommendations regarding future financing alternatives and the composition of the underwriting group.
- Make available for conference and consultation such key personnel as may be needed in order to fully perform the requested services in a cost efficient and expeditious manner.

Competitive Sales:

Services to be provided are expected to include, but not limited to, the following:

- Coordinate marketing efforts with underwriting groups responsible for negotiating offerings of the ARRC.
- Present recommendations as to the time and manner of sale of the bond issues and suggest appropriate bidding terms and conditions to be contained in the official notice of sale of the bonds.
- Develop and present specific recommendations as to the details of the bond structure within parameters and objectives established by the ARRC. The details will include security provisions, protective and other covenants to be included to achieve rating objectives and provide market benefit, call provisions, projected interest rates, establishment of debt service reserves, maximum bid discounts and bid security.
- Prepare the text and supervise the production of the official statement and official notice of sale to be issued in connection with the offering of bonds, in consultation with bond and disclosure counsel. The facts, statistical data, and other pertinent information to be contained therein shall be sufficient to permit prospective purchasers to properly evaluate and bid for the bonds.
- Present to the major rating services, sufficiently in advance of the date set for receipt of bids for each bond issue, all relevant data and information to permit them to evaluate and rate the bonds.
- If appropriate, qualify the bonds for bond insurance.
- Arrange, with the assistance of bond counsel, for the production/execution of the bonds and final delivery.
- Coordinate the plans of the bid opening at a satisfactory location, evaluate the bids submitted, verify their mathematical accuracy, advise the ARRC of the bids and make a recommendation as to award.

Soliciting Bids for a Guaranteed Investment Contract or other Investments:

Services to be provided related to soliciting bids for a Guaranteed Investment Contract ("GIC") or other investments related to tax exempt bond financings or for other general ARRC purposes may include the following:

- Prior to distributing any solicitation, the ARRC and bond counsel must approve the form and content of the solicitation.
- The Financial Advisor's fee for acting as bidding agent will be included in its fee for the issue or will be established and approved by ARRC prior to the bid if the investment is not effected at time of issue.

Other Services:

Other services that may be required by ARRC include, but are not limited to, the following:

- Assistance in structuring and negotiating agreements, contracts, and/or leases with various entities regarding bond issues and/or other debt issuance transactions as needed in a manner designed to meet legal and market requirements while protecting/furthering ARRC's interests.
- Review investment policies/procedures and related laws, regulations, requirements and agreements. Provide suggestions to improve compliance and safeguarding of assets.
- Review various documents related to securities lending and short-term working capital financing arrangements including commercial paper programs, revolving credit facilities, and reverse repurchase agreement programs.
- Advise the ARRC regarding applicable on-going disclosure requirements and draft or assist in the drafting of information designed to comply with such requirements or as may be desired for the improved marketability of the ARRC's debt securities.
- Provide assistance and advice in connection with review or audit of a program or debt issuance by the Internal Revenue Service, Securities Exchange Commission, Municipal Securities Rulemaking Board, or other similar entity with review and regulatory functions.
- Assist the ARRC in presentations including but not limited to the Alaska State Legislature or ARRC Board of Directors.
- Assist ARRC with capital planning activities, including development of plans of finance for various programs, developing a long-term financial plan for ARRC, developing and maintaining a cash flow analysis, and credit enhancement selection.
- Advise the ARRC on the use of derivative products and development of a derivative policy.

- Provide assistance and advice in connection with capital raising scenarios other than public debt issuance, to include private placements of debt or public private partnerships.

Term of Financial Advisor Services Contract:

The contract period shall be for **three** years from the effective date, with ARRC having the option to renew for up to **two** additional **one**-year periods.

ARRC's Chief Financial Officer, or her or his designee, will administer any contract that results from this solicitation. Contact with any other ARRC staff, if necessary, will be coordinated through ARRC's Chief Financial Officer, or his or her designee.

SECTION C

PROPOSAL FORMAT AND CONTENT

Alaska Railroad Corporation (ARRC) is requesting proposals from interested firms that meet the minimum qualifications set forth herein. 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 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.

Interested firms shall submit **one** original proposal and **four** copies and **one** electronic copy, containing a statement of qualifications, the information requested below, a cost/fee matrix and a concise narrative that addresses each evaluation criteria stated in Section D.

Proposals shall have a maximum of **10** pages, exclusive of resumes and exhibits. Proposals will be limited to **15** pages total. 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 or may result in rejection of the proposal. At a minimum your proposal shall address the following in order to be considered responsive:

Minimum Qualifications (MQ's):

The offeror's proposal must include a one page Statement of Qualifications that clearly demonstrates and documents the following MQ's to be considered responsive to the RFP:

- The offeror is a financial advisor or firm that provides financial advisory services and is nationally recognized in matters relating to tax-exempt bond issues. In determining whether a firm is "nationally recognized," consideration will be given to firms listed in the Bond Buyer's Municipal Marketplace and its ranking in Thomson Financial Advisor Rankings;
- The offeror currently provides services generally equivalent to those requested in this RFP to at least **five** other public or quasi-public agencies or authorities; and
- The offeror has provided services generally equivalent to those detailed in Section B, Scope of Services, for a minimum of the past **five** consecutive calendar years.

Proposals submitted by offerors that do not possess the above Minimum Qualifications shall be rejected as being nonresponsive.

Other Information Required:

Additionally, the offeror must submit the following information:

- A transmittal letter with general information on your organization, including the year it was founded, the number of years your firm has been providing public financial advisor services, and any other lines of business or affiliated entities.
- Identification of the location of the office from which management of the process would be accomplished, as well as any other offices anticipated to be involved
- Signature and title of a person authorized to obligate the firm
- Identification of all materials enclosed.
- An organizational chart showing all key personnel and how they will interact with ARRC and among themselves.
- Description of your firm's proposed organization of responsibilities, work plan, and approach.
- A discussion of the availability of key personnel for consultation and discussion as necessary.
- Resumes and work experience of the key personnel to be assigned to the work effort. Information about these individuals should include three projects for which they acted as Financial Advisor, performing tasks and functions comparable to those outlined in the Scope of Services, for bond issues of at least \$100 million in the past five years. Further, for the individuals to be assigned, discuss the knowledge or recent experience (if any) providing (i) Financial Advisor services in Alaska and (ii) Financial Advisor services in the transportation or energy sectors.
- A description of experience the individuals to be assigned to the contract have regarding:
 - Rating agency presentations that require the explanation of unique credits.
 - Leadership of/and problem solving among an issuance working group.
- A list of all public financings for which your firm has acted as Financial Advisor during the last two years.
- A statement whether the offeror or firm has signed a consent agreement, has had an unfavorable judgment or a cease and desist order, or any Section 6700 penalty (under the Internal Revenue Code) entered against either the firm or an employee of the firm, or has been involved in an unfavorable arbitration settlement in the past **five** years; Also provide a statement of any pending enforcement actions by the Securities and Exchange Commission or any state regulatory authorities or any Section 6700 proceeding pending by the IRS.
- Disclosure of any actual or appearance of conflict of interest;
- A general description of types of debt issued by clients who retained the offeror for such issuance.

Proposed Approach and Work Plan:

Proposals must also include a proposed approach and work plan that demonstrates the offeror's comprehension of the objectives and scope of services anticipated by this RFP, without simply duplicating the Scope of Services provided in Section B of the RFP.

The approach and work plan must clearly describe and detail the offeror's proposed approach to performing all services required by this RFP. At a minimum, the work plan must include the following:

- A description, organizationally and geographically, of how the offeror intends to provide the requested services to the ARRC and of any other services not enumerated in this RFP which the offeror proposes to perform.
- A brief description of any innovative financial techniques and programs the offeror has recommended and that have been utilized by its clients.
- A description of what actions the offeror would recommend that ARRC take, given the following scenario:
 - One of the ARRC's goals is to increase earnings to generate greater cash flow for infrastructure reinvestment purposes. One of the opportunities identified to assist in accomplishing this goal relates to the use of ARRC's unique provision permitting it to issue tax-exempt debt in support of railroad and related purposes to the extent permitted by the Alaska Railroad Transfer Act. In this connection, the ARRC may need to own, lease or operate the facilities financed.
 - In your response to this section, please discuss a vision of how ARRC could move forward with this approach, detailing specific steps to be taken and potential pitfalls to be avoided. Further, broadly discuss the nature and range of possible fees and other earnings that could be available to ARRC from such transactions and strategies for negotiating such fees and earnings.

Cost/Fee Matrix:

The offeror must complete the attached cost/fee matrix that includes the following information:

- Per transaction maximum fee for services provided in support of Section B, Scope of Services, broken down into the following categories:
 - Issue size \$400 million or less
 - Issue size greater than \$400 million but less than \$1 billion
 - Issue size \$1 billion or greater
- Specify separate maximum fees for the following for each of the above categories:
 - First issues using substantially different security documents
 - Subsequent issues without significant changes to security documents

- The determination of whether an issue incorporates “substantially different security documents” will be made at the time the issue is structured by mutual agreement between the Financial Advisor and ARRC. Such determination will be based upon a review of changes from any previous debt issuances of the ARRC, rather than what may be different from the types of documents the Financial Advisor has previously been involved with.
- In those cases where services are provided in connection with a transaction that is ultimately determined not to be feasible, payment shall be made at hourly rates. Billings must include detail sufficient to determine the date the work was performed, the individual performing the work, and the nature of the work performed. The aggregate of the hourly fees may not exceed, for any transaction, the applicable maximum fee proposed above. Any fees in excess of this fee cap may not be carried over or applied to any bond issue other than that for which the work was performed. Please provide hourly rates for the key personnel to be assigned to the account. These hourly rates will also be applicable to other work performed by the offeror in support of Section B, Scope of Services.
- The amounts included in the cost/fee matrix submitted should include any anticipated fees for services assigned to subcontractors for specialized calculations, analyses, etc. However, neither the maximum transaction fee nor the hourly rates should include travel or out of pocket expenses (lodging, meals etc.), which would be paid separately.

Alaska Bidder and Related Preferences:

Alaska Bidder Preference: For the purposes of evaluating price, the proposed price of an offeror who qualifies as an Alaska Bidder shall be reduced by 5% (for evaluation purposes only). The preference will be given to an offeror who:

1. holds a current Alaska business license;
2. submits a bid or proposal for goods, services, or construction under the name appearing on the person's current Alaska business license;
3. has maintained a place of business in the state staffed by the bidder or offeror or an employee of the bidder or offeror for a period of six months immediately preceding the date of the bid or 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 organized under AS 10.50 and all members are residents of the state, or is a partnership under former AS 32.05, 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 (A)--(D) of this paragraph.

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.

Alaska Bidders Preference distribution of points: 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 following formula:

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

Related Preferences: Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder and Alaska Veteran preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. ARRC Procurement Rule 1500.0 defines when the preferences apply.

- Employment Program Preference
- Domestic Insurer Preference
- Alaskan's with Disabilities Preference
- Vocational Rehabilitation Employment
- Alaskan Veteran Preference
- Use of Local Forest Products
- Alaska Products Preference
- Recycled Products Preference

Offerors that designate the use of Alaska Products identified in the specifications will receive the preference granted under ARRC Procurement Rule 1500.5 in the evaluation of a proposal if the designated Alaska products meet the contract specification.

General:

All ideas, plans and other materials submitted in response to this RFP become the physical and intellectual property of, and will be retained by ARRC. Such ideas, plans, and other materials may be used, either in whole or in part, by the ARRC in future financings. As all proposals shall be open for public inspection after award, offerors should not include proprietary information in proposals they would not disclose to the public. Proprietary information presented during negotiations may be held to be confidential if expressly agreed to in writing in advance by ARRC.

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.

ARRC is not obligated to provide a debriefing for unsuccessful respondents. All costs incurred by any party in responding to this solicitation shall be solely the responsibility of the respondent and ARRC shall not be liable for any costs incurred by any parties.

SECTION D

SELECTION PROCESS & EVALUATION CRITERIA

The selection of a Financial Advisor to perform the requested services will be made by an ARRC appointed committee which will evaluate the proposals in accordance with the evaluation criteria specified herein and establish a ranking. 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.

At the sole discretion of the ARRC procurement officer, (ARRC Procurement Rule 1300.5(a)), offerors who submit proposals determined to be reasonably susceptible of being selected for award may be provided the opportunity to discuss their proposals with the procurement officer or evaluation committee. The procurement officer may limit discussions to specific sections of the proposals received. The selected firms may not alter their proposal, but 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. Upon completion of the discussion, the evaluation committee will review the material and per 1300.5(b) the evaluation of a proposal(s) may be adjusted as a result of a discussion to determine the highest ranked firm.

At the sole discretion of the ARRC procurement officer discussions will be held in person or via teleconference. In person discussions will be scheduled at ARRC's corporate office building located at 327 West Ship Creek Avenue, Anchorage, Alaska. It is important the primary individual(s) servicing the contract and the entire ARRC evaluation committee be present for any discussion.

If during discussions the procurement officer determines there is a need for substantial clarification or a change in the request for proposal, the request must be amended to incorporate the clarification or change, and a date and time established for withdrawal or receipt of amended proposal. Evaluations may be adjusted as a result of receiving new or amended proposals to establish the highest ranked firm.

Negotiations will be conducted with the highest ranked firm until a contract is awarded. If an agreement cannot be reached on contract terms, negotiations will be terminated and the next highest ranked firm will be contacted for negotiation. ARRC will release the name of the successful firm upon award of the contract.

EVALUATION CRITERIA

DESCRIPTION

WEIGHT

Firm's Qualifications and Experience

40 Points

Experience in performing services described in Section B. Business history, strength and stability of firm, representative clients, size of projects handled, and national ranking.

Proposed Approach and Work Plan

20 Points

Proposals must also include a proposed approach and work plan that demonstrates the offeror's comprehension of the objectives and scope of services anticipated by this RFP, without simply duplicating the Scope of Services provided in Section B of the RFP. The approach and work plan must clearly describe and detail the offeror's proposed approach to performing all services required by this RFP.

Proposed Key Personnel

30 Points

The professional and technical qualifications of personnel proposed for key project functions. Experience related to project role. Education, training and certifications.

Cost of Services

10 Points

The cost/fee matrix must be completed per the instructions in Section C - Proposal Format and Content and submitted in accordance with the requirements in Section B - Scope of Work and will be used to evaluate the cost evaluation criteria.

SECTION E

QUESTIONNAIRE

(Revised 1-31-02)

Note: Failure to provide the information requested in this questionnaire may be cause for rejection of your bid or offer on the grounds of nonresponsiveness and/or nonresponsibility.

Project _____

Name of Your Business: _____

Street Address: _____

Mailing Address if Different: _____

City: _____ State: _____ Mailing Zip: _____

Telephone: _____ Fax: _____ E-Mail: _____

Date Firm Established: _____

How many years has the business been under the above name? _____

Previous business name(s) if any: _____

Federal Tax ID Number: _____

Business License Number: _____

Contractor License Number (For Construction: _____

Bid Acceptance Period _____ Days. (Bids providing less than Ninety-day (90) calendar days for acceptance may be considered nonresponsive and may be rejected.)

Discount for prompt pay _____ % _____ days.

The bidder shall list any variations from or exceptions to the Terms, Conditions or Specifications of the Solicitation

Continued on the next page

List the three most recent contracts performed by your company where the commodity or service requested in this solicitation was the primary commodity or service supplied. Include the client's name, contract amount, contract date, person to contact regarding performance, their telephone, facsimile number and e-mail.

Clients name, Contact person, Contact info. Description of Work and Contract Amount
(telephone, fax, and email)

<u>List any other business related experience:</u>	

Are you acting as a broker or the primary supplier in this transaction?

- Broker
 Primary Supplier

Business Information (Please check all that apply):

- The business is Individual
 The business is a Partnership
 The business is a Non-Profit
 The business is a Joint-Venture
 The business is a Corporation incorporated under the laws of the State of _____
 The business is full-time
 The business is part-time
 The business is not a certified Disadvantaged Business (DBE)
 Business is a certified DBE
 DBE was certified by State DOTPF
 DBE was certified by the Municipality of Anchorage
 Business is an 8(a)/WBE/MBE and is certified by SBA
 B business was certified by _____
 DBE Certification # is _____

Firms Annual Gross Receipts:

- <\$500,000
 \$500,000 - \$999,999
 \$1,000,000 - \$4,999,999
 \$5,000,000 - \$9,999,999
 \$10,000,000 - \$16,999,999
 >\$17,000,000

Completed by: _____ Title: _____

Signature: _____ Date: _____

SECTION F

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

The following terms and conditions supersede the terms and conditions on the reverse side of ARRC's purchase order to the extent that they are inconsistent therewith and shall be deemed to have the same force and effect as though expressly stated in any such purchase order into which this document is incorporated.

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, reperform 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 reperform 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
Over \$1,000,000

\$2,000,000 per Occurrence/Annual Aggregate
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. Nonwaiver. 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 nonbreaching or nondefaulting party by any other provisions of this contract, or by law.

20. Savings Clause. If any one or more of the provisions contained in this 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.

35. Reasonable Best Efforts. Subject to the terms and conditions herein provided, Contractor agrees to use all commercially reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to complete the work contemplated by this Agreement.

36. Rate Sheet. Contractor shall specify the hourly rates that will be charged ARRC for the key personnel who will perform the majority of work on this project. These rates will be used for any potential changes or delays.

37. Travel Expenses. All travel expenses and direct costs for meals and incidentals under this Contract shall be reimbursed at the applicable United States, Department of Defense (USDoD) per diem meal and incidental rate in effect on the date the meals/incidentals expense is incurred. The contractor shall be responsible for knowing and adhering to all applicable rules and regulations associated with such meals and incidentals rate.

Notwithstanding any provision in the USDoD rates, regulations, or policies to the contrary, the ARRC will not reimburse Contractor for expenses associated with the purchase of alcoholic beverages.

All lodging required under this Contract shall be billed at cost and Contractor will be reimbursed up to the current USDoD rate.

Reservations for air transportation required under this Contract shall be made and paid for by the Contractor and billed to the ARRC. The ARRC will reimburse the Contractor for the cost of a coach seat only. Expenses associated with upgrades to Business Class, First Class, or any other premium class of air flight shall be the sole responsibility of the Contractor. Car rental, parking, and other applicable transportation expenses will be billed at cost.

**ATTACHEMENT #1
RFP COST/FEE MATRIX**

The cost/fee matrix must be submitted with proposal in order to be considered responsive.

To be completed by offeror
To be completed by ARRC

Per Issue (80% of cost score)

Issue Size	New Docs	Existing Docs	Average	Weighting	Weighted Avg.
<\$400M				25%	
\$400M< X <\$1B				50%	
>\$1B				25%	

< \$400M = Issue size \$400 million or less
 \$400M< X <\$1B = Issue size greater than \$400 million but less than \$1 billion
 >\$1B = Issue size \$1 billion or greater

Hourly Rates (20% of cost score)

	Hourly Rate	Weighting	Weighted Avg.
Sr. Consultant		50%	
Consultant Level I		20%	
Consultant Level II		20%	
Administrative Staff		10%	