



Pension Record Keeping Services

Request for Proposal #20-22-208273

June 22, 2020

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

Email: Goemerg@akrr.com



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Ave.
Anchorage, AK 99501

June 22, 2020

REQUEST FOR PROPOSAL # 20-22-2080273

PENSION RECORD KEEPING SERVICES

Response Requested,

This form must be completed and returned to ensure receipt of future addenda or additional information, email to: Goemerg@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 Suppliers and then Solicitations. Bidders must acknowledge the receipt of all issued addendums in their proposal/bid submittal.

Company _____

Address _____

Contact _____

Phone _____

Email _____

Website: www.alaskarailroad.com



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Ave.
Anchorage, AK 99501

June 22, 2020

REQUEST FOR PROPOSALS

#20-22-208273

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

Record Keeping Services for the ARRC Pension Plan

Proposals shall be received until July 24, 2020 3:00p.m. local time. Detailed instructions for submitting responses are outlined in this document. The envelope used in submitting your firm's offer shall be plainly marked with the following information:

1. Offeror's name.
2. Offer number 20-22-208273
3. Date and time scheduled for the receipt of offers.
4. Sealed Offer: Record Keeping Services for the ARRC Pension Plan

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

ARRC may reject any or all offers if such action is in the best interest of ARRC, and waives informalities and minor irregularities in offers received. ARRC may award a contract on the basis of initial offers without discussions. Therefore, each initial offer 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 the ARRC to pay for any cost incurred in the submission of an offer or for any other cost incurred prior to the execution of a formal contract.

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

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.

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 will render the entire proposal non-responsive.

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



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 to this solicitation and/or questions concerning this Request for Proposal to Greg C. Goemer, Alaska Railroad Corporation, 327 Ship Creek Avenue, Anchorage, AK 99501. Questions may be emailed to goemerg@akrr.com

Best Regards,

Greg C. Goemer
Sr. Contract Administrator.
Alaska Railroad Corporation

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APPENDIX A

BACKGROUND INFORMATION

The Alaska Railroad Corporation (ARRC) is seeking proposals for a record keeper for its defined benefit Pension Plan, to provide participant-level record keeping services in a web-based environment with participant and plan administrator access.

The ARRC is a public corporation of the State of Alaska. The Pension Plan uses Governmental Accounting Standards (GASB) accounting, applicable to state and local government employers with a pension plan. The Pension Plan is not subject to ERISA.

The Alaska Railroad Corporation Pension Plan (the Plan) is a defined benefit plan that covers all regular employees hired after January 5, 1985, the date of 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 (pensionable earnings) to the Plan. The ARRC's contribution is dependent on the results of annual actuarial valuation funding recommendation. A Pension Committee comprised of three management and two labor representatives administers the Plan.

Non-represented and represented employees enter the Plan as of their date of hire. Changes to the plan document are subject to collective bargaining agreement, approval of the Pension Committee, and approval of the ARRC Board of Directors.

Pension Plan participants do not participate in Social Security (FICA), but participants do contribute to Medicare.

The market value of the assets in the Pension Plan at December 31, 2019 was \$212 million. At that time, there were 671 actives, 375 in-actives, and 311 retired participants. The assets of the Pension Plan are invested in compliance with the Investment Policy Statement. Wells Fargo serves as the trustee/custodian.

Record keeping is fully outsourced and includes pension calculation services. Atesa Benefits, LLC, has served as the record keeper for the Plan since mid-2015. Prior to that, The Vanguard Group, Inc., served as the Plan's record keeper. Electronic records of bi-weekly pension contributions are available from the beginning of contributions to the Plan (1985) to present. In 2007, web capabilities and services were introduced to the plan administrator and participants. The plan administrator uses the record keeper's web-based system to process participant requests for pension annuity projection estimates and to answer lump sum payout balance inquiries from participants. Participants can view basic demographic data and run basic projections. Pension payments and refunds have been made by the record keeper.

Pension contributions and earnings are reported by the ARRC to the record keeper on a biweekly basis. A flexible system is required to be able to capture one or more status changes reported for a current period, prior period *or periods* and to track credited and vesting service for a fulltime workforce and diversified seasonal workforce. A second tier pension plan (Tier 2) was implemented mid-2015 (with varying effective dates pursuant to the Collective Bargaining Agreements) with different plan provisions for normal and early retirement, benefit formula, interest rates, and COLA provisions.

The Alaska Railroad also sponsors voluntary defined contribution plans (401(k)) for both union and non-represented employees and a 457 deferred compensation plan for non-represented employees. The defined contribution plans are record kept by Empower Retirement.

The Hyas Group, LLC has conducted regular investment performance analysis for the Plan since 2012. Hyas' services include investment consulting, advising on asset allocation and investment policy, and investment manager searches.

Bartel Associates has performed the Plan's annual actuarial services since 2015. Bartel assists ARRC in preparing financial statement information in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 67 and 68.

APPENDIX B

SCOPE OF SERVICES FOR PENSION RECORDKEEPING SERVICES

1. Maintain individual accounts for participants' contributions and earnings. This includes bi-weekly contributions, accrued interest, refunds, repayment of refunds, QDRO distributions, etc. Receive and review for reasonableness bi-weekly transmission of employee earnings and contribution activity, including adjustments to earnings and contributions. Track pre- and post-tax contributions. Post the information to the participants' accounts. Run appropriate payroll audit and regression reports and edits, process data cleanup and manual updates for non-standard files.
2. Maintain and update employment activity and demographic data records on participants, including but not limited to compensation, data (address, bargaining unit, pension tier, etc.), status codes, and spousal information. Maintain beneficiary information for all participants.
3. Monitor de minimus accounts and rollover information that may be necessary for the operation of the Plan. Monitor terminated participants reaching Age 58 (for Tier 1 deferred vested participants), Normal Retirement Age for Tier 1 and Tier 2, and the regulated RMD Age. Provide reporting on participants as requested.
4. Provide online access for participants and plan administrator to calculate estimated pension benefits based on service, earnings, the pension formula, early retirement factors and joint and survivor factors.
5. Provide electronic access for plan administrator to inquire and update information for participant account information. This includes ability to manually update participant status.
6. Provide access to plan administrator to run electronic reports and customizable (ad hoc) queries, downloadable to Excel for reports. This includes queries based on participant account balance, salary, participant age, rehired participants with prior refunds, queries to locate participants based on vesting or other employment or demographic status.
7. Provide communications and updates to the plan administrator on software enhancements, web/systems status or changes, participant notifications, and service enhancements.
8. Calculate accrued interest on account balances to be credited at least monthly. There are two Pension Tiers with two different interest rates. Tier 1 participants are credited with 4.5% annual interest compounded annually. Tier 2 participants are credited with the three month U.S. Treasury Constant Maturity Yield for the most recent June 30 *and* December 31 rate.
9. Calculate and maintain vesting and credited service dates based on plan rules.
10. Calculate final pension benefit amounts for retirees based on service, earnings, the pension formula, early retirement factors and joint and survivor factors. Calculate death benefits based on the Plan provisions. Calculate the disability and pre-retirement spousal benefits,

then calculate benefits due disabilitants, and survivors when those benefits are to be recalculated at Normal Retirement age. Calculate annual COLA amounts for Tier 1 retired participants.

11. Calculate the amount of pension refunds, including separate accounting for pre-tax and post-tax contributions.
12. Calculate the repayment amounts, ("Buy-Back provision") including interest, when a participant is rehired and wishes to re-instate refunded service credit. This may require multiple calculation updates. Provide schedules on current and future repayments. Maintain a distribution history table to keep track of participants who have had refunded service in the past. Restore prior refunded credited service after the participant repays the refunded amount, including interest. Maintain, track, and calculate military service credit and military vesting credit.
13. Prepare and mail annual statements to participants, provide demographic information, contribution and interest balance, credited service and vesting service information, unused sick leave credit, estimated average monthly earnings, last year's reported salary, accrued benefit to date, and projected benefit at retirement calculations. Provide a draft electronic file of statements to plan administrator by February for review. Produce the final electronic file of statements and mailing by April 30. See Appendix A for sample benefit statements.
14. Flag participant records for divorces/pending QDROs when notified by the plan administrator. Flagged records must contain additional verbiage on the annual participant statements that the QDRO was not yet considered and may affect the provided pension estimates. Advise plan administrator of the existence of such QDRO flag when providing any pension related calculations to the plan administrator.
15. Provide participant data to the appropriate firm/person(s) that may be necessary for the operation and valuation of the Plan.
16. Prepare and maintain an administrative manual for use by internal staff and the plan administrator. Ensure that calculation methodologies are supported by and consistent with the plan document.
17. By February 28 of each year, prepare an annual report of demographic, contribution, and service information for active, terminated, and deferred vested employees and retirees for use by the actuary in the actuarial valuation of the Plan. Cooperate with requests from auditors and other plan professionals who may be performing services for the Plan.
18. Ensure Plan administrative functions are handled in compliance with federal regulations. Provide analysis and recommendations to the plan administrator regarding the impact of new regulations.
19. Ensure provisions of the plan document and amendments are incorporated in the calculation engine programming.
20. Issue monthly benefit payments and lump sum refunds. Monthly benefit checks are to be paid on the 25th day of the month. Lump sum refunds can be paid on an ad hoc basis or at the same time as the monthly pension payments. Deduct appropriate federal income tax

withholding from benefit payments, produce annual 1099R and other tax reporting as required.

21. Issue QDRO distributions, death benefits, di minimus payments and rollover distributions.
22. Provide Customer Service/call center staff with pension and process expertise to provide responsive and accurate account information to participants.
23. Customer Service staff to educate participants using a consultative approach; assist participants in obtaining forms required for updates; assist participants in obtaining benefit estimates and retirement packages; assist participants in creating or resetting PINs, and provide overall personalized service.

**** Note:** ARRC requires a Full Service provider for this contract, co-sourcing proposals will not be accepted.

APPENDIX C

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 prior to July 16th, and the written inquiries must be submitted as follows:

Greg Goemer
Alaska Railroad Corporation
327 W. Ship Creek
Anchorage, AK 99501
Email: goemerg@akrr.com

ARRC will respond to all or part of the written inquiries received through the issuance of a written Addendum to the RFP, 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 RFP shall be subject to disqualification.

2. Proposal Submission Deadline

Sealed proposals must be received by ARRC no later than 3:00 p.m., local time, on July 24, 2020 at:

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

One (1) original and one electronic copy (uploaded to ARRC cloud based file site) of the proposal must be submitted. The sealed envelope or package used in submitting a proposal shall be clearly marked with the following information:

1. Proposer's Name
2. RFP Number 20-22-208273
3. Date and Time Scheduled for Receipt of Proposals

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 sixty (60) 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 (1) original proposal and one (1) electronic copy uploaded to ARRC file hosting site, containing a statement of qualifications and a concise narrative that fully addresses each evaluation criteria. Proposals shall have a maximum of thirty (30) pages, exclusive of resumes and exhibits. A signed cover letter of a maximum two (2) pages should introduce the proposed firm, summarize the main qualifications of the firm, and 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. A limited number of larger (11x17) sheets are acceptable for graphics or charts. The page limit excludes cover sheets, cover letter, table of contents, forms required by ARRC, resumes or other attachments required herein.

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. Any travel and travel related expenses shall be billed at cost with coach airfare only, no first class or business class. Lodging and meal expenses must be reasonable. ARRC will not pay for alcohol, valet parking or other 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

Proposers will be evaluated by ARRC based upon their experience in performing the services requested, financial stability, appropriate personnel, responsiveness, technical knowledge and general organization. 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. References

Provide a representative list of clients including addresses, contact names and phone numbers. In case of a business entity client, provide the name of an individual familiar with the nature of your services to the entity.

16. Clients

How many clients have begun using your firms' services in the past three years? How many clients have stopped using your firm's services in the past three years? Why?

17. Conflict of Interest

Disclose any information that may pose an actual conflict of interest in providing these services or give the appearance of a conflict of interest.

Please provide any other relevant information that may assist ARRC in the selection process.

18. Contract Period

The ARRC anticipates awarding a contract for a two year period with the possibility of three one-year extensions subject to acceptance by both parties.

19. Escalation Clause

Fees for the contract will be set for the duration initial period of the contract. Upon the contract renewal any proposed price change must be submitted in writing for ARRC's approval not less than thirty (30) days before it is scheduled to become effective or rates may be adjusted through the use of an agreed upon index such as the CPI using the percent increase from the previous year.

APPENDIX D

SELECTION PROCESS AND EVALUATION CRITERIA

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.

The selection of a firm 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. Please note, however, that a serious deficiency in any one criterion may be grounds for rejection and that the listing of pricing as an evaluation factor does not require ARRC to select the firm that submits the lowest price. ARRC shall have the right to obtain, from any and all sources, information concerning a Proposer, which is deemed pertinent to the RFP, and to consider such information in the evaluation of the Proposer's proposal.

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 may be scheduled at ARRC's Board Room located at 327 West Ship Creek Avenue, Anchorage, Alaska or through a video conference meeting. 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. 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.

Once the committee has established a ranking, 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. ARRC will release the name of the successful firm upon award of the contract.

EVALUATION CRITERIA

DESCRIPTION	POINTS
Qualifications of the Firm	20
Proposed Key Personnel	15
Methodology and Approach	30
Full Service Proposal	15

QUALIFICATIONS OF THE FIRM

20

1. Discuss your experience recordkeeping for government (non-ERISA) plans. Do you have a dedicated group with expertise in this area? Do you provide administration/recordkeeping services internally or through a relationship with another entity?
2. Provide a transmittal letter with general information on your organization and its experience, including the year it was founded, the number of years your firm has been providing defined benefit pension plan recordkeeping services, and your experience with governmental entities or organizations in the transportation or railroad industries.
3. Describe your ownership structure including parent, affiliated or subsidiary company, and business partners.
4. Explain any significant shifts in your organization within the last three years, such as ownership or restructuring. Describe any significant changes anticipated in the future.
5. Identify the number of defined benefit clients that have begun using your company's services in the past three years.
6. Identify any clients that stopped using your company's services in the past three years. Explain why.
7. What is the average length of your defined benefit client relationships?
8. What is the average size of plan participants and assets of your clients? How many clients are in the private sector versus governmental sector?
9. How many clients do you service with plan demographics similar to ARRC?
10. Identify if your firm uses the services of a subcontractor. If so, provide details on whom and describe which portions or services they perform.
11. Identify the location of the management office.
12. Identify the location of the administrative office.

13. How does defined benefit administration fit into your company's overall strategy?
14. Discuss your commitment to the defined benefit market. Provide examples of your business commitment to the defined benefit market.
15. Describe any significant changes that have been made to your defined benefit product or platform in the past five years.
16. What significant changes to your defined benefit product do you anticipate in the next three years?
17. Explain the three most important features that distinguish your defined benefit pension administration services from your competitors.
18. Explain what differentiates your system from your competitors.
19. Explain how your firm controls the cost of services rendered to a client.
20. Submit a copy of the most recent SAS 70 audit report on your defined benefit recordkeeping services.
21. Provide the following for at least three references of current defined benefit pension clients who have plan demographics similar to ARRC:
 - Client name
 - Contact name and title
 - Address
 - Phone number
 - Year they became a client
 - Services provided.

1. Provide the complete contact information of the individual(s) responsible for responding to this request. Include a signature and title of the individual authorized to obligate the firm.
2. Provide an organizational chart showing all key personnel, including both the implementation team and the ongoing team, identifying their area of expertise and their roles and relationships, and how they will interact with ARRC personnel and among themselves.
3. Include resumes and work experience of the key personnel to be assigned to the work effort, clearly describing their qualifications, licensing/certification and experience. Information about these individuals should include three clients for whom they are performing tasks and functions comparable to those outlined in the Scope of Services for a client with similar scope and complexity. Describe their experience recordkeeping for public pension plans.
4. Discuss the availability of key personnel for this engagement.
5. Describe your standard client/consultant ratio. What is the client load for the principals you are proposing for this engagement?
6. Describe the number of staff members to be assigned to this case, the functions to be performed by those individuals and how their activities would be coordinated and directed. What is the average length of service of the team?
7. Describe any on-going training requirements and your succession plan to back-fill or replace team members.
8. Describe how your administrative team interacts with the client, actuaries and auditors.
9. Disclose any actual or appearance of conflict of interest.

NOTE: ARRC reserves the right to reject a proposer at any point in the evaluation process or a contractor after award if the approved personnel become unavailable, are reassigned or otherwise removed from the project by the firm, or the qualifications are generally found to be inadequate. All personnel reassignments will be approved by ARRC in writing.

Client Service and Quality Assurance

1. Describe your organization's commitment to quality and your philosophy/approach to client services.
2. How do you ensure calculation accuracy? Describe your remediation process for incorrect calculations.
3. What is your process for resolving participant data issues relative to valuation reporting?
4. Describe your procedures for monitoring plan administration satisfaction. What type of reporting for these measurements do you use?
5. Will you agree to put fees at risk if administrative errors exceed a mutually agreed upon threshold?
6. Describe how your firm keeps current with regulations impacting governmental, defined benefit pension plans and their administration and recordkeeping. Describe how you communicate these changes to the client.
7. Are periodic meetings with the client a regular element of your product? How often and what is a typical outline of such meeting?

Recordkeeping and Administrative Services

1. Describe in detail the components of your defined benefit plan recordkeeping offering.
2. Briefly describe other administrative services you can provide.
3. Do you provide an administrative manual? What steps are taken to prepare the manual? How frequently is it updated? Provide a sample of your administrative manual.
4. How do you handle various de-risking projects that are so prevalent on the defined benefit landscape now (lump-sum windows, plan freezes, plan terms, etc.)? Do you handle these projects in-house or need to outsource? Please provide any additional costs associated with these projects.
5. Describe in detail how your system calculates and maintains pension contributions, vesting and creditable service records.
6. Describe how your system calculates interest for defined benefit plans. Explain the calculation frequency options and timing requirements to post to participant accounts.
7. Describe how your recordkeeping system tracks and maintains status of employees such as seasonal employees, rehires, leaves of absences, and transfers. Describe the functionality in the recordkeeping system to record frequent status changes. Explain any

recordkeeping system limitations to report multiple status changes within a bi-weekly file submission.

8. Describe your recordkeeping system's ability to maintain changing demographic data.
9. Describe your recordkeeping system's ability to calculate vesting and credited service based on plan rules. Explain the capabilities to calculate vesting and credited service as an employee's status changes. Describe any system limitations to calculating and tracking vesting, credited services, status changes or mapping plan document provisions.
10. Explain QDRO services provided and any additional costs for evaluating or calculating QDROs. Provide detail on the roles and responsibilities and calculations required to split QDRO benefits.
11. Describe in detail system and operational processes for calculating pension benefits, lump sum distributions, QDRO allocations, repayment of previous refund to reinstate prior credited service, death benefits, etc. for a defined benefit pension plan.
12. Will you process manual calculations? For which circumstances?
13. How do you track terminated vested participants?
14. How do you track and notify participants required to begin receiving minimum required distributions?
15. Describe your data processing requirements and file layouts. Describe your approach to processing demographic and contribution data and the available file layouts. Describe any checks and balances in place, alerts or audits built into your file processing. Provide samples of available file layouts. Describe the medium used to transmit files between the client and recordkeeper. Describe limitations on file formats and transmissions.
16. Describe your approach to payroll adjustments including negative or retroactive contributions which may impact vesting service and credited service calculations, or interest calculations.

Participant and Plan Sponsor Reporting

1. Describe the standard reporting package that you will provide to us, the frequency in which they will be delivered and the medium used. Include samples. Provide the standard time frame for providing each report.
2. Describe your process and capabilities to produce annual statements for participants. Explain the level of customization that is supported. Provide a sample of your annual statements and the electronic file formats available. What is the standard turnaround time for the delivery of these statements?
3. Describe any customized or ad hoc reporting capabilities and the medium used. For ad hoc reporting, describe how the plan administrator selects the criteria, factors and conditions to generate a report. Is this a web-based, on demand functionality?
4. Describe your age-based reporting capabilities, i.e., the ability to produce lists of participants reaching a specified age.

5. Describe your event-specific reporting capabilities, i.e., event status changes, active-inactive status, disability, or termination.

System Capabilities

1. Describe the hardware platform and software system you use to record, maintain and administer defined benefit plans. Is it proprietary, leased or purchased?
2. Who in your organization has the ultimate responsibility/authority to make sure the software complies with current laws, plan provisions, etc.?
3. Describe your recordkeeping system including when it was developed, number of clients using the system and its standard and operational components. Do you update it regularly? How often? Describe your last system upgrade.
4. Describe your documented disaster recovery plan. How often do you test your recovery system?
5. Describe your maintenance and backup procedures including daily backups, retention timetable and off-site backup storage approach.
6. Describe your organization's specific procedures for monitoring defined benefit data integrity.
7. Describe the method of maintaining participant history on your system and how long the history is maintained. Describe the census elements you maintain.
8. Describe the flexibility of your system to accommodate different early retirement reduction factors and optional benefit factors.
9. Describe your capability to support multiple tiers of benefits.
10. Describe your ongoing data transfer process.
11. Do you provide annual data extraction for the pension valuation?
12. Describe the medium used to transmit files. Describe your security protocols, encryption, and limitations on file formats and transmissions.
13. Describe your data processing requirements and file layouts. Describe your approach to processing demographic and contribution data and provide examples of available file layouts.
14. Explain how your recordkeeping systems are developed and maintained and whether this is done in-house or by a third party vendor.
15. Describe any checks and balances in place, alerts or audits built into your file processing.
16. Explain how your system would track accrued benefits and additional vesting service for accrued benefits after a freeze date. Are there limitations on the amount of types of historical data that your database can maintain? If so, what are these limitations?

17. Describe your process to change your system to support changes in the ARRC Pension Plan that impact calculations.
18. Describe your commitment to maintaining, preserving and improving your systems capabilities. What financial commitment do you make to system enhancements? What system enhancements have you rolled out in the last five years?
19. Describe your plans for upgrades and enhancements to systems and services in the next three to five years.
20. Provide details on the security in place to protect personal information. Include security for transmitting files from the client to plan administrator or vice versa, accessing the participant website, accessing the plan sponsor website and maintaining the recordkeeping data.

Internet Services

1. Describe your organization's DB plan web functions and capabilities for plan sponsors.
2. Does your website product provide plan sponsors with access to participant data (account balances, service credit, addresses, etc.) and projected benefit estimates?
3. Explain how benefit calculations are requested. Is a calculation option available on the plan sponsor website to request an estimated benefit and to model different time frames and earnings scenarios.
4. Describe the capabilities of the plan sponsor website, include transactions and reporting. Describe how the website interfaces with the recordkeeping system. Describe the level of customization available on the website. Describe the technical support provided to the plan administrator for using the website. Do you offer a demo of the plan sponsor website? Is the plan sponsor website available to all participants (active, terminated, leave of absence)?
5. Provide the address of your defined benefit demo website.

Participant Communications

1. What are the standard communications offered? Please provide examples.
2. Are participant communications customizable?
3. Do you provide confirmations of transactions/updates requested by participants, i.e., address changes?
4. Please advise if your standard services include communications for the following events:
 - Suspension of benefits notice
 - Required minimum distribution notice
 - Employee benefits statement
 - General retiree communication packages
 - Required distribution of minimum account balances.

Participant Education

1. Describe services you may provide to help participants with financial planning, such as personal questionnaires, pension calculations, and education. Is there any education provided on Social Security benefits and the coordination of these benefits for governmental employees?
2. Describe other educational opportunities available for participants. What topic (e.g. wills, trusts, estate planning, insurance, taxation)? How are they presented (e.g. on-line, webcasts, direct mail, newsletters, social media, individual or group communication)? Are you available for on-site seminars and training?
3. Describe your customer service call center capabilities including location(s), hours of operation, training and support systems.

Implementation and Testing

1. Outline your conversion process including time frames and mapping requirements for both data and plan provisions. Explain the lead time required to successfully convert recordkeeping services for a plan of this size and complexity. Describe the process to ensure accurate conversion of data. Describe any limitations on file formats used in conversion. What involvement is required of the plan administrator? Include a work plan outlining time frames and responsible parties.
2. Describe your typical conversion work plan and include a schedule for completion of the proposed deliverables. Samples of each deliverable proposed shall be submitted with the proposal.

1. ARRC requires a “Full-Service,” contractor, describe in detail your disbursement services.
2. Explain how refund requests are facilitated between the plan administrator and recordkeeper. Is a participant able to request a refund directly with the recordkeeper? Can the recordkeeper communicate directly with the trustee?
3. Describe your system for identifying and paying out de minimis accounts.
4. Describe how your system processes lump-sum distributions and periodic payments.
5. When are monthly pension payments made? Is that dependent on the client, or do you have a standard frequency? Do you have the capability to issue ad-hoc payments upon request?
6. How long does it take from a participant’s request for payment until the check is produced? What are the steps you take to ensure the accuracy and timeliness of payments?
7. Identify the location of the participant call center.
8. Describe your procedures for monitoring participant satisfaction. What type of reporting for these measurements do you use?
9. Do you provide an administrative manual to your call center and administrative staff? What steps are taken to prepare the manual? How frequently is it updated? Provide a sample of your administrative manual.
10. Describe your capability for interfacing with another provider (e.g. Vanguard, Financial Engines, etc.), to supply pension benefit information for aggregation of participant retirement benefits and allow participants a one-stop shop venue for total retirement information.
11. Describe the process that participants would follow to obtain an estimate of their pension benefit. Is a calculation option available on the plan sponsor and/or participant website? What is the average turnaround time to obtain a benefit estimate?
12. Describe how a participant requests a final benefit. Provide copies of your standard forms.
13. How do you notify terminated vested participants of their entitlement to begin receiving a benefit under the plan?
14. Describe your on-line beneficiary designation capabilities.
15. Is there a voice response system for defined benefit plan participants? Can participants transfer from the interactive voice response system to a representative on a toll-free line?
16. Describe your organization’s DB plan web functions and capabilities for participants.
17. Describe how participants access participant information (account balances, service credit, addresses, etc.) via the internet. Explain what information is available to the participant. Describe any support available to participants regarding accessing their information.

Describe how the user interface “looks.” Do you have automated formula benefit calculation capabilities for participants? Is the website available to all participants (active, terminated, leave of absence)? Do you offer a demo of the participant website?

18. Explain how benefit calculations are requested. Is a calculation option available on the participant website? Describe your process for a participant to request an estimated benefit and to model different time frames and earnings scenarios.
19. Will you provide clients with reports of participant internet activity?

FEE SCHEDULE

20

Fees – The cost/fee matrix should be submitted in a separate envelope labeled “Pricing.”

In a separate envelope labeled “Pricing,” please complete the Fee Schedule to specify the costs that will be charged under the proposed contract.

1. Provide a detailed description of how your firm is to be remunerated for the services requested including administration costs, travel and all other related expenses. What is the frequency of your billing?
2. Describe any per participant charges (e.g. administration).
3. Provide the details of services considered non-routine and their fee structure.
4. Describe any conversion or termination costs.

Alaska Bidder’s Preference:

For the purposes of evaluating price, the proposed price of an offeror who qualifies as an Alaska Bidder shall be reduced by 5%. Offerors seeking an Alaska Bidders Preference must submit information with their proposals documenting that they meet each requirement stated in ARRC Revised Procurement Rule 1200.9(b).

APPENDIX E

FEE SCHEDULE

A Fee Schedule shall be included in Offeror's response. For purposes of determining low cost, the annual fees shall be totaled in aggregate.

Please include an additional sheet with any other charges to include hourly rates for personnel that may work on special projects, and other services that may be required that aren't listed as a fixed fee below.

Annual Fixed Fee to Maintain Accounts: \$ _____

Annual Billing Conversion: \$ _____

Termination Cost(s) \$ _____

Cost of Conversion: \$ _____

(Additional Fees)

	Monthly Pension, Disability, Survivor, and Pre-Retirement Spouse Payments	Fixed Fee		
	Employee Contribution Account Refunds	Fixed Fee		
	Annual Participant Statements	Fixed Fee		
	Annual Data Transmission to Actuary	Fixed Fee		
	Two-Tiered Plan	Fixed Fee		
	Ad Hoc Reporting	Fixed Fee plus Hourly rate		
	QDRO	Fixed Fee plus one time fee per QDRO		
	Interface with Vanguard, DC Record Keeper	Fixed Fee		
	Special Projects, data entry, and error correction, etc...	Hourly Rate Time and Materials		(attach rate sheet)

APPENDIX F

QUESTIONNAIRE

(Revised 2-27-06)

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

Solicitation Number _____

Business Name: _____

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: _____

Bid Acceptance Period _____ Days. (Bids providing less than thirty-day (30) calendar days for acceptance may be considered non-responsive and may be rejected.)

Discount for prompt pay _____ % _____ days.

On a separate sheet attached, list any variations from or exceptions to the Terms, Conditions or Specifications of the Solicitation

Continued on the next page

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: _____

APPENDIX G

ALASKA RAILROAD CORPORATION SERVICE BID FORM of

NAME _____

ADDRESS _____

To the CONTRACTING OFFICER, ALASKA RAILROAD CORPORATION:

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

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 bid guarantee, if any, shall be forfeited to the Alaska Railroad Corporation as liquidated damages, 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 specifications for this Request for Proposal (give number and date of each).

Addenda Date Number 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 Bid or 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

E-Mail Address

APPENDIX H

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	\$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. 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 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.