

**Department of Revenue
The Alaska Mental Health Trust Authority**

**Request for Proposals 17-071M
Organizational Evaluation
Issued March 29, 2017**

Introduction

The Alaska Mental Health Trust Authority (the Trust) is soliciting proposals from qualified management and organizational consultants to conduct an in depth organizational evaluation, with the goals of:

1. Reinforcing the role of the Trust as a highly efficient public policy agency that is focused on the best interests of its beneficiaries.
2. Review the Trust's statutory authority and its other existing governance documents to determine their relevance and adequacy.
3. Revitalizing the Trust's relationship with its partner advisory boards to emphasize openness, transparency, and mutual respect.
4. Creating an organizational structure that supports both the statutory missions of the Trust with respect to its beneficiaries and its financial assets.
5. Creating an updated set of governance components for the board of trustees that are relevant to current and future operations and that will create clear and uniform performance expectations, both within the Trust's organization and among beneficiaries and the Trust's partners.
6. Creating a management structure that is responsive to the expectations of the board of trustees, supportive of operations and staff, and accessible to beneficiaries.

Issuing Agency and Contract Information

Offerors must submit one original proposal by email to the procurement officer. The technical proposal and cost proposal must be submitted as separate and clearly labeled PDF documents. Proposals must be received no later than 1:30 P.M., Alaska Time on April 7, 2017. Oral proposals will not be accepted.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened for evaluation.

Procurement officer: Valette Keller

Phone 907-269-6039 – Fax 907-269-7966 – Email valette.keller@alaska.gov

Budget

Cost proposals priced at more than \$100,000 will be deemed non-responsive and will not be considered.

Alaska Business License and Other Required Licenses

In order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. Offerors should contact the Department of Commerce, Community

and Economic Development, Division of Corporations, Business, and Professional Licensing, P. O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license;
- (b) certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized affidavit that the offeror has applied and paid for the Alaska business license.

Preferences

The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the IRFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the Department of Administration, Division of General Service's web site: <http://doa.alaska.gov/dgs/policy.html>

Alaska Products Preference - AS 36.30.332

Recycled Products Preference - AS 36.30.337

Local Agriculture and Fisheries Products Preference - AS 36.15.050

Employment Program Preference - AS 36.30.321(b)

Alaskans with Disabilities Preference - AS 36.30.321(d)

Alaska Veteran's Preference - AS 36.30.321(f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. An offeror's failure to provide this certification letter with their proposal will cause the state to disallow the preference.

Alaska Bidder Preference

An Alaska Bidder Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who:

1. holds a current Alaska business license prior to the deadline for receipt of proposals;
2. submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;
3. has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
4. is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and

5. if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

Alaska Veteran Preference

An Alaska Veteran Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who qualifies under AS 36.30.990(250) as an Alaska bidder and is a:

- (a) sole proprietorship owned by an Alaska veteran;
- (b) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- (c) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- (d) corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

Alaska Offeror Preference

Alaska offerors will be provided a 10 percent overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(25), are eligible for this preference. Each Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

Background

The Alaska Mental Health Trust Enabling Act was passed by Congress in 1956 as a mechanism for the Territory of Alaska to have a source of income to fund the mental health program in Alaska as responsibility transferred from the Federal government. One million acres were granted with the Legislature identified as Trustee to the endowment. Alaska however did not maintain a separate accounting of revenue produced on Trust lands versus other state lands. Additionally a considerable amount of Trust lands were conveyed to private individuals and municipalities. A class action lawsuit (*Weiss v. State*) was initiated in 1982 after individuals in need of mental health services were unable to obtain the services in Alaska. The plaintiffs alleged the State breached its fiduciary duties by failing to account for Trust revenues, using revenue from Trust lands for other purposes, and designating mental health trust lands for other purposes than what their fiduciary duties required. The lawsuit was eventually settled in 1994 and resulted in creation of the Trust Authority governed by a board of seven trustees. The lawsuit settlement resulted in the Alaska Mental Health Trust Authority (The Trust) being created and the trust corpus being reconstituted with approximately 1,000,000 acres of land (original and replacement lands) as well as \$200 million in cash in recognition that replacement lands were of lower value than the land originally selected for The Trust.

The Trust's beneficiaries include Alaskans who experience:

- mental illness;
- developmental disabilities;
- chronic alcoholism and other substance related disorders;
- Alzheimer's disease and related dementia; and
- traumatic brain injury

The Trust is currently facing several internal and external organizational challenges. The most prominent of those is a legislative audit driven by concerns about the Trust's operational approach and adherence to current governance with respect to management of its cash assets. Other issues involve a change in management staff at the Trust and growing financial pressure on providers of program services to the

beneficiaries of the Trust and the state's fiscal situation. Preparation for dealing with these issues and, specifically, with the audit, provides an opportunity to achieve alignment among the Trust's Board of Trustees, the Trust staff and the four statutory advisory boards regarding the future focus of the Trust and the success measures by which the Trust operates. As the Trust prepares to begin a search for a new CEO and to assist in the upcoming legislative audit, it is important to make progress in confirming that alignment and to move forward together.

Scope of Services

It is anticipated that this process will be addressed in three phases.

Phase I. The process of achieving and confirming the goals set forth in the introduction above will first involve cataloguing the current status quo. This will be accomplished by reviewing the current organization and governance documents, compiling a review of operating issues, and documenting the legal issues to which the Trust is responding.

The contractor will perform a fact finding and interview process to develop information to be used during the remainder of the organizational review process. This process will include, but not be limited to, the following:

1. Review founding and current governance documents (federal enabling legislation, settlement documents, applicable statutes and regulations, bylaws, etc.) and prepare a summary document. This will be accomplished with the assistance of and in consultation with the Trust's outside legal counsel.
2. Consult with internal governance experts, including the Trust's counsel.
3. Develop and deploy a data gathering e-survey sent to the seven trustees; Advisory Board Executive Directors; the Commissioners of the statutory advisors from the Departments of Health and Social Services, Revenue, and Natural Resources; the Trust CEO; the executive director of the Trust Land Office (TLO); and at a minimum five additional senior staff personnel.
4. Conduct a functional review and analysis of current organizational structure, the relationship between the Trust and the TLO, and the positions and associated functions within the current organizational structure of both agencies.
5. Follow-up telephone interviews with each of those surveyed in #3 above as necessary.

Product: Provide a review of the current governance infrastructure as well as a summary of survey and interview data for distribution. All responses from the survey and interviews will be kept strictly confidential and/or anonymous.

Phase II. Prepare for and facilitate a two-day board of trustee work session and provide documentation of outcomes from the work session. The work session should be organized as follows:

1. Review of current governance standards and obligations.
 - a. Current governance documents as reviewed in Phase I.
 - b. Concerns raised by the pending legislative audit, trustees, Advisory Boards, and Trust Authority and Trust Land Office staff.

Product: Summary of suggested roles and responsibilities for Trustees, Advisory Boards, Trust Authority and Trust Land Office staff, applicable governance "rules of the road", and identification of current questions and concerns regarding governance.

2. Review the Trust's operating environment.
 - a. Needs of key stakeholders going forward (Trustees, key leaders, statutory advisors, and partner boards).
 - b. Current strengths and improvement opportunities within the organization.
 - c. External opportunities and risks, including the impact of the current financial crisis facing the State of Alaska and its potential impact on the Trust and its beneficiaries.
 - d. Trajectory review and assessment.

Product: Summary of key insights.

3. Review performance standard(s) and structure(s) for the organization.
 - a. Define critical success factors that should drive the organization.
 - b. Define performance measures that should be met by the organization.
 - c. Define assumptions and constraints of the organization.

Product: Summary of identified performance standards and critical organizational structure components for any organizational restructure going forward.

Phase III. Provide a written report of the outcomes of the two-day work session, prioritizing areas requiring change or action, and identifying recommendations from the work session, including at a minimum:

1. The Trust's current organizational state (structure, governance documents, roles and responsibilities, etc.).
2. Design Basis¹ for each recommended potential organizational structure for the future, including the current organizational state, that:
 - Addresses strengths, challenges, and opportunities identified in Phases I and II;
 - Identifies pros and cons of each recommended structure;
 - Identifies estimated financial costs associated with the implementation of each recommended structure;
 - Identifies estimated operational financial costs or savings associated with each recommended structure;
 - Identifies required steps, process, and timelines for implementation of each recommended structure; and
 - Proposes governance document of each recommended structure that allows all parties involved—Trustees, partner boards, Trust Authority and Trust Land Office staff, and the public—to understand the authority, mission, roles, and measures of success of each component of the Trust.

Equipment and Supplies

- The contractor will be responsible for providing any equipment required to perform the duties of this contract.
- Subcontracting will not be allowed.

¹ Design Basis is a set of conditions, needs, and requirements taken into account in designing a facility or product.
<http://businessdictionary.com/definition/design-basis.html>

Term of Contract

The contract term will be one year from date of award. This contract contains no options to renew.

Standard Contract Provisions

The successful offeror will be required to comply with the Trust's standard contractual terms and conditions, Appendix A. No alteration of these provisions will be permitted without prior written approval from the Department of Law.

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

The successful offeror must secure the insurance coverage required by the Trust, Appendix B2. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management.

The successful offeror must submit evidence of a valid Alaska business license prior to start of the contract.

Trust Not Responsible for Preparation Costs

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

Offeror's Certification

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the IRFP. Proposals must remain open and valid for at least 90-days from the opening date. By signature on the proposal, offerors certify that they comply with the following:

- (a) the laws of the State of Alaska;
- (b) the applicable portion of the Federal Civil Rights Act of 1964;
- (c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- (d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- (e) all terms and conditions set out in this IRFP;
- (f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- (g) that the offers will remain open and valid for at least 90 days; and
- (h) that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with (a) through (h) of this section, the Trust reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

Conflict of Interest

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

Formula Used to Convert Cost to Points

The distribution of points based on cost will be determined by the method set out below. The lowest cost proposal will receive the maximum number of points allocated to cost.

Cost will be converted to points using the following formula:

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

Clarification of Offers

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

Notice of Award (NOA) — Offeror Notification of Selection

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

Protest

2 AAC 12.695 provides that an interested party may protest the content of the IRFP or the award of a contract.

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

An interested party must first attempt to informally resolve the dispute with the procurement officer. If that attempt is unsuccessful, the interested party may file a written protest. The written protest must be filed with the Commissioner of the purchasing agency or the Commissioner's designee. The protester must also file a copy of the protest with the procurement officer. A protester must have submitted a

proposal in order to have sufficient standing to protest the award of a contract. Written protests must include the following information:

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

If the protestor agrees, the Commissioner of the purchasing department or the Commissioner's designee may assign the protest to the procurement officer or other state official for alternate dispute resolution. In other cases, the Commissioner or the Commissioner's designee may issue a decision sustaining or denying the protest, or may conduct a hearing using procedures set out in AS 36.30.670(b).

A written protest of the content of the solicitation must be received by the Commissioner or Commissioner's designee prior to the deadline for receipt of proposals. A written protest of the award of a contract must be received by the Commissioner or Commissioner's designee within ten days after the date the Notice of Award is issued.

Minimum Qualifications

In order to be considered responsive, offerors must have performed at least three (3) similar reviews of the organizational and administrative structure of a public, nonprofit or private agency of similar size to the Trust within the last five (5) years.

Offeror must explain how they meet the minimum qualifications and provide references from prior reviews, including names and phone numbers.

Methodology & Management Plan

Offerors must provide comprehensive narrative statements which set out the methodology and management plan they intend to employ and which illustrate how the plan will serve to accomplish the objectives of the contract.

Resumes of each person working on the contract must be submitted with the proposal.

Cost Proposal

- Proposal must provide a Not to Exceed amount for the life of the contract.
- Proposal must include all direct and indirect costs.
- If the contractor is from an area outside of Anchorage, proposal must include a Not To Exceed amount for the lead consultant to conduct one 3-day visit to Anchorage, Alaska for evaluative purposes. Actual travel on the contract will be discussed with, and approved by, the contract manager.
- Any pre-approved travel expenses will be reimbursed at actual cost according to the Alaska Administrative Manual for travel, AAM60 requiring submittal of receipt copies as backup.

Evaluation Criteria

All proposals received will be reviewed and evaluated based on proposal content. Do not simply retype the stated objectives of this proposal – provide specific details on how you will accomplish the contract objectives.

Proposals will be scored as follows:

- 40% Cost
- 30% Experience & Qualifications
- 20% Methodology & Management Plan
- 10% Alaska Proposer Preference

Attachments

Appendix A – General Provisions

Appendix B – Indemnity and Insurance

APPENDIX A
GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspection and Reports.

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

Article 3. Disputes.

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

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, physical 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 state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of the contract.

Article 5. Termination

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provision of this contract for services rendered before the effective date of termination.

Article 6. No Assignment or Delegation.

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

Article 7. No Additional Work or Material.

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

Article 8. Independent Contractor.

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

Article 9. 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 the State under this contract.

Article 10. Ownership of Documents.

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

Article 11. Governing Law.

This contract is governed by the laws of the State of Alaska. All actions concerning this contract shall be brought in the Superior Court of the State of Alaska.

Article 12. Conflicting Provisions.

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

Article 13. Officials Not to Benefit.

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

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, contingent fee, or brokerage except employees or agencies maintained by the contractor for the purpose of securing business.

For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage, or contingent fee.

APPENDIX B¹

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", as used within this and the following article, include the employees, agents and other Contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting Contractor's indemnification, 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 agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

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

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

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