



ALASKA RAILROAD CORPORATION
327 W. Ship Creek Ave.
Anchorage, AK 99501
Phone 907-265-4467
Fax 907-265-2439
HOPEM@AKRR.COM

March 3, 2022

REQUEST FOR PROPOSALS 22-14-209632

Bond Underwriting Services

Response Requested:

This form must be completed and returned to ensure receipt of future addenda or additional information. Email this form to: Hopem@akrr.com. Addenda will be emailed to the contact listed below; however, it is the responsibility of the Offeror to make sure it has received all addenda and have acknowledged all addenda on its Proposal Bid Form.

Offerors that have not returned this cover sheet will not be informed of addenda and will only be alerted to addenda by checking with the ARRC Contract Administrator or by checking ARRC's internet site: www.alaskarailroad.com. Offerors must acknowledge the receipt of all issued addenda on their Proposal Bid Form. It is the Offeror's responsibility to ensure it has received all addenda prior to submittal of its proposal.

Company _____
Address _____

Contact _____
Phone _____
Fax _____
Email _____



Alaska Railroad Corporation
327 W. Ship Creek Avenue, Anchorage, AK 99501
P.O. Box 107500, Anchorage, AK 99510-7500
Telephone 907.265.4467 Facsimile 907.265.2439

March 3, 2022

REQUEST FOR PROPOSALS

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

22-14-209632 Bond Underwriting Services

IMPORTANT

Proposals will be received until **3:00 PM ALASKA STANDARD TIME (AKST) on MONDAY, March 28, 2022 via Dropbox.**

For safety reasons during the global pandemic, one electronic copy of your Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/6AUSPmebsYZbIIP6HGNr> by proposal due date/time. It is the offeror's responsibility to verify with the ARRC Contract Administrator that its proposal was received timely. If your firm has restrictions on Dropbox submittals you must contact the ARRC Contract Administrator at least 7 days prior to proposal due date to discuss alternatives.

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

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

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

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

Pre-Proposal Conference: A pre-proposal conference will NOT be held.

Funding

The issuance of the bonds addressed herein requires the approval of the Alaska legislature, anticipated during its regular session ending May 19, 2022.

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 engage an Offeror 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. The performance of the Scope of Work or any portion thereof shall be subject to 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 Bond Purchase Agreement. Further, this Request for Proposals is not to be construed as a commitment by ARRC to issue the bonds.

Please direct all responses or questions concerning this Request for Proposals to Michele Hope, Alaska Railroad Corporation, Supply Management Department, 327 Ship Creek Avenue, Anchorage, AK 99501, telephone number (907) 265-4467, fax number (907) 265-2439.

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SECTION A

SCOPE OF WORK

1. Background

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

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

Pursuant to AS 42.40.250, ARRC has the authority, upon receiving legislative approval, to issue bonds to provide funds to carry out its purposes. Pursuant to the Alaska Railroad Transfer Act, 45 U.S.C. 1207(a)(6)(A), bonds issued by ARRC are exempt from federal income tax. ARRC currently has Capital Grant Receipts Bonds outstanding in the amount of \$33.8 million. These GARVEES are securitized by federal funding sources and have a separate security structure from the proposed bonds.

Offerors may wish to review ARRC's enabling statute, AS 42.40, and the federal Alaska Railroad Transfer Act. Further information about ARRC, including annual reports, may be found at our web site at <http://www.alaskarailroad.com>.

2. Introduction

The Alaska Railroad Corporation ("ARRC") is seeking proposals from firms with significant experience in providing underwriting services to serve as Senior Managing Underwriter or Co-Manager for the proposed issue of Port Revenue Bonds for the Seward Passenger Dock and Terminal Replacement Project.

ARRC is a public corporation and instrumentality of the State of Alaska whose mission includes providing transportation for freight and passengers, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State. ARRC owns and operates a passenger dock in Seward, Alaska ("Existing Passenger Dock") and an associated intermodal terminal facility (the "Existing Passenger Terminal"), both constructed in 1966, which together serve cruise ships and other passenger and freight vessels as part of an ARRC-owned and operated multi-dock port facility. The Existing Passenger Dock is nearing the end of its useful life and the cost of maintaining it in a usable state has become prohibitive, necessitating its replacement in the near future in order to continue to serve cruise ships and other vessels, as well as passengers and crew, in a safe manner. ARRC has determined that the replacement of the Existing Passenger Dock and Existing Passenger Terminal with new dock and terminal facilities capable of safely serving cruise ships, including new, larger ships, and other vessels (collectively, the "New Passenger Terminal Facility") is critical to the ongoing viability of passenger operations at ARRC's Seward port. ARRC desires to construct, maintain and operate the New Passenger Terminal Facility and to finance all or a portion thereof through the issuance of its bonds.

With the required legislative and ARRC Board approvals, ARRC intends to issue Port Revenue Bonds (the "Bonds") to provide funding for the New Passenger Terminal Facility. The anticipated size of the bond issue is approximately \$40-\$60 million. It is expected that the Bonds will be issued as Tax Exempt Bonds and will be secured by revenues associated with the passenger dock operations (including tariffs, infrastructure fees, and berthing fees) after payment of associated operating expenses.

ARRC is anticipating a Bond sale in October 2022, although this schedule is subject to change.

ARRC is currently considering options to finance the new passenger terminal building separately from the new passenger dock.

3. Scope of Work

Contractor shall provide underwriting services to ARRC for the proposed issue of Port Revenue Bonds for the Seward Passenger Dock and Terminal Replacement Project.

Contractor shall work with ARRC, its financial advisor, bond counsel, underwriters' counsel and other entities as necessary to provide some or all of the following services:

1. Advise and assist in structuring and negotiating agreements and/or contracts with specified entities, in a manner designed to meet legal and market requirements while protecting and furthering ARRC's interests.
2. Provide guidance to ARRC and its financial and legal team on alternative debt and credit structures.
3. Make recommendations on all aspects of the plan of finance for maximum benefit to ARRC including (but not limited to):
 - Principal amortization schedule
 - Interest rate structure, including the use of fixed or variable rate debt, interest rate swaps and other hedging strategies
 - Call features
 - Pledged revenues
 - Flow of funds
 - Coverage requirements
 - Security provisions, including credit enhancements
 - Other covenants
 - Syndicate arrangements
4. Advise and assist in the development of credit rating and investor presentations and associated materials. Assist in negotiating financing terms with credit rating agencies, bond insurers and other credit enhancers as needed.
5. Advise and assist in development of financing and offering documents, including Official Statements and other disclosure documents as appropriate.
6. Manage communications with the underwriting group to furnish accurate and timely information designed to provide all members of the underwriting group with the opportunity to sell bonds at the lowest possible cost.
7. Attend such meetings as ARRC may request.

8. Assist ARRC in presentations to the Alaska State Legislature and/or ARRC Board of Directors, as requested.
9. Document and present information to ARRC and its financial advisor concerning:
 - Presale orders;
 - Prevailing market conditions and near term market trends;
 - Support from the underwriting account;
 - Recommended original issue discounts and premium; and
 - Interest rates and underwriting discounts on comparable offerings.
10. Advise and assist in the development of a marketing campaign aimed at retail and institutional buyers and implement as appropriate. May include advertising for retail investors, informational meetings for institutional investors, nationwide conference calls, the dissemination of information to investors, and information provided on the internet.
11. Assist in creating a financing timetable that outlines the financing process.
12. Develop a pricing strategy to provide the lowest possible interest cost to ARRC. If chosen as lead manager, prepare preliminary pricing analysis prior to planned sale date, provide final pricing analysis and summary of issue, arrange for delivery of the bonds to successful purchasers, prepare an analysis of the final allocation of bonds to co-managers and selling group members and provide an analysis of ARRC's performance against comparable securities issued contemporaneously and public indices such as the Municipal Market Data and the Bond Market Association indices.

Engagement:

It is the intention of ARRC to select one or more firms to provide underwriting services on the bond transactions described herein for those bond resolutions that may be adopted by ARRC's Board. ARRC does not contemplate entering into a contract with the selected firm(s) at the time of award. This solicitation package and any addenda thereto, together with the selected proposal(s), shall govern the engagement of ARRC and the underwriter(s) until such time, if any, the parties enter into a Bond Purchase Agreement. Thereafter, ARRC's contractual agreement with the underwriter(s) shall be the Bond Purchase Agreement that may be negotiated and approved by ARRC's Board for a specific bond issue.

ARRC will choose the underwriting group for bonds that may be undertaken from the firm or firms selected via this RFP, with the senior manager to be identified at the time of a specific transaction. The selection of a group of firms does not commit ARRC to utilizing a negotiated sale on any specific transaction, nor to pay any fees or costs other than through a bond transaction as provided for in a Bond Purchase Agreement. Any underwriters selected through this process shall serve at the sole discretion of the ARRC.

ARRC's Chief Financial Officer or her designee will be the primary point of contact for this engagement. Contact with any other ARRC staff, if necessary, will be coordinated through ARRC's Chief Financial Officer or her designee.

SECTION B

PROPOSAL INFORMATION, CONDITIONS & INSTRUCTIONS

1. Pre-Submission Proposal Inquires

Offerors 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 10 days prior to submission deadline. Written inquiries must be submitted to Michele Hope hopenem@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 Offerors. Oral and all other non-written responses, interpretations and clarifications shall not be legally effective or binding. Any Offeror 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

Proposals will be received until **3:00 PM AKST on MONDAY, March 28, 2022 via Dropbox.**

For safety reasons during the global pandemic, one electronic copy of your Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/6AUSPmebsYZbIIP6HGnr> by proposal due date/time. It is the Offeror's responsibility to verify with the ARRC Contract Administrator that its proposal was received timely. If your firm has restrictions on Dropbox submittals you must contact the ARRC Contract Administrator at least 7 days prior to proposal due date to discuss alternatives.

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

3. Proposal Open and Subject to Acceptance

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

4. Proposal Opening

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

5. Reserved Rights

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

- (a) To supplement, amend, or otherwise modify or cancel this RFP with or without substitution of another RFP.
- (b) To issue additional or subsequent solicitations for proposals.
- (c) To conduct investigations of the Offerors 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 engage the responsible Offeror(s) whose proposal conforming to this solicitation will be most advantageous to ARRC.
- (h) To negotiate any rate/fee offered by a Offeror. ARRC shall have the sole right to make the final rate/fee offer during negotiations. If a selected Offeror does not accept ARRC's final offer, ARRC may, in its sole discretion, reject the proposal and start negotiations with the next highest ranked Offeror.
- (i) If an award is made and subsequent information indicates that such award was not in the best interest of ARRC, ARRC may rescind the award without prior notice to Offerors and either award to another Offeror or reject all proposals or cancel the RFP.
- (k) To terminate the Offeror 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 Offeror 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, Offeror 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 Offeror who submits a proposal shall not include any such tax in any of its proposal prices or in any calculation thereof.

8. Proposal Format

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

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

- summarize the main qualifications of the firm and verifying that the firm meets the minimum qualifications and whether the firm qualifies for the Alaska Bidder/Offeror's Preference – if applicable (item #15)
- disclose any information that may pose an actual conflict of interest in providing these services or give the appearance of a conflict of interest
- provide a representative list of clients including addresses, contact names and phone numbers
- include any other information the Offeror deems will emphasize the Offeror's ability to successfully perform the services required and demonstrate why selection of Offeror would be advantageous to ARRC.

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

- a. **Contractor's Questionnaire in Section F**
- b. **Note all addenda in your firm's proposal**

9. Capacity to Perform

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

10. No Obligation

ARRC and responding Offerors 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 Offeror 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 Offeror.

11. Exceptions to Terms, Conditions and Specifications

Any performance of the Scope of Work resulting from this solicitation shall be conducted in accordance with the General Terms and Conditions contained in this solicitation package. Each Offeror 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.

12. 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.

13. Qualifications of Offerors

Minimum Qualifications:

Offeror must be a FINRA registered broker-dealer.

General Qualifications:

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

14. Alaska Bidder's Preference

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

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

Offerors seeking an Alaska Bidder's Preference must include a statement within their cover letter certifying that the Offeror meets the above requirements and is eligible to receive the Alaska Bidder's Preference. Copies of any relevant documentation should also be provided (this documentation does NOT count towards your 20-page limit.)

15. Engagement Period

The engagement period shall be effective approximately April 2022 through December 31, 2022.

SECTION C

PROPOSAL FORMAT AND CONTENT

Alaska Railroad Corporation (ARRC) is requesting proposals from interested firms qualified to perform the work described in the Scope of Work. This is intended to be an unbiased evaluation. ARRC reserves the right to determine that the 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 Work above, that ARRC in its sole discretion, determines to be in its best interest. ARRC may request additional information from any firm to make a proposal responsive to this RFP or otherwise obtain clarification or additional information that ARRC, in its sole discretion, deems necessary to analyze and compare proposals.

Proposals must be complete as to the requested information.

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

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

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

Firm Qualifications and Experience

30 Points

1. State the name and title of the person who will serve as the key contacts for your firm.

State whether you wish to be considered as book-running senior manager or co-managing underwriter. If your firm is not selected as book-running senior manager, state if you are willing to serve as a co-manager.

2. Please provide a brief introduction to your firm. Give an overview of your firm's transportation experience. Describe any relevant municipal finance experience working with ports.
3. Disclose any conflicts of interest your firm may have associated with underwriting this transaction. This includes but is not limited to; i) pending investigations or completed investigations within the past five years by the SEC or any other regulatory body regarding the conduct of your firm or the firm's management, ii) any relationship, contractual or otherwise, that your firm has with any individual, organization or firm that may be a party to ARRC financing, iii) any litigation between your firm and the State of Alaska or related entities.
4. Identify two possible firms that you would propose to retain as underwriter's counsel, and provide an estimate of the fees that either firm would charge. ARRC reserves the right to approve any firm employed to serve as underwriter's counsel. Payment of underwriter's counsel will be made from the underwriting spread – expense component. Please note that Eckert Seamans Cherin & Mellott, LLC ("Eckert Seamans") is serving as ARRC's bond counsel on this transaction and will prepare the transaction documentation, including the preparation of the

official statement. ARRC would view it as a conflict of interest if Eckert Seamans were also to serve as underwriter’s counsel; hence, Eckert Seamans may not serve as underwriter’s counsel.

- Please provide a tabular summary of your firm’s experience as a senior underwriter and co-manager on negotiated port revenue bond financings since January 1, 2017. Using the format shown below, prepare a table for your experience on negotiated port revenue bond financings.

Experience as Underwriter on Negotiated Port Revenue Bond Financings

<u>Year</u>	<u>Senior Managed Issues</u>		<u>Co-Managed Issues</u>	
	<u># of Issues</u>	<u>\$ Amount</u>	<u># of Issues</u>	<u>\$ Amount</u>
2017				
2018				
2019				
2020				
2021				
2022				
Totals				

Please provide a list of the financings which are summarized in the table above as an appendix to your proposal. This Appendix will NOT count towards your 20-page limit.

- Describe your firm’s marketing strategy and distribution capabilities for Alaska and Port Revenue tax-exempt securities. Discuss your firm’s ability and willingness, if necessary, to commit capital to underwrite the entire issue at a fair market price. In tabular form, prepare the following as of the date which such information is most recently available or make brief statements where appropriate:

- Total Capital
- Equity Capital
- Uncommitted (Excess Net) Capital

II. Personnel Qualifications

25 Points

- Identify the individual who will be the lead day-to-day representative of your firm on this financing. Provide a brief description of that person’s experience serving in a similar lead role on other financings for port clients. Identify any other people who will also be part of your day-to-day team on this financing (together with the lead representative, “Key Personnel”). Explain the roles each would play and provide a brief description of their experience with port financings.

Include resumes for each of the persons identified as an appendix.

- Provide three references, preferably from port clients, for the person identified as your lead day-to-day representative on this financing.

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

III. Understanding of Key Financing Issues Related to ARRC

30 Points

1. Given that this is a new credit, predicated on cruise activity, describe what you view as the challenges ARRC may encounter in the process of obtaining rating(s) for its Bonds. What issues would you recommend be addressed and what points should be emphasized in order to receive the highest possible ratings for these bonds.

Note: In preparing your response to this question, firms are specifically advised not to contact the rating agencies about ARRC or otherwise discuss ARRC with representatives of the rating agencies. If ARRC learns that any firm has made such contacts or engaged in such discussions, that firm will be disqualified from further consideration in this selection process.

2. Describe the marketing strategies you would propose, the strength of your institutional and retail network, and any other actions you would want ARRC to undertake in order to achieve the best possible investor response to the bond sale. Please describe the specific steps in your marketing plan, and when such steps would occur in the bond sale process.
3. Describe your methodology in pricing this issue including any structuring ideas ARRC should consider. Please discuss debt service coverage, liquidity, availability and benefit of bond insurance. Please also discuss your firm's view on credit spreads for BBB and A credits.

IV. Cost Proposal:

15 Points

Provide a cost proposal that includes a summary of all fees detailing services related to such fees. If more than one pricing alternative is available, describe in detail, including any flat fee option. Include any pricing changes over the course of the engagement and term of the Bond Purchase Agreement, if any.

1. Please present the fees you would propose to charge if your firm were selected to serve as ARRC's senior managing underwriter on this issue, divided as follows: average takedown, management fee (if any) and underwriters' expenses. In addition, please provide the following information:
 - a. The takedowns you would propose by maturity.
 - b. If you propose a management fee, please present only the amount you would propose to receive as senior manager.
 - c. Provide a breakdown of the types of expenses on the transaction for which your firm would expect to be reimbursed, and provide an estimate for each (including underwriter's counsel).

Assume that approximately \$60 million of Revenue Bonds are needed to be issued to fund the New Passenger Terminal Facility. For purposes of this question, assume ARRC intends to sell 30-year bonds with principal amortization beginning on July 1, 2023 and structured to produce level annual debt service.

The Total Cost will be used as basis for evaluation. Please list cost based on \$/bond assuming \$60 million par issuance.

Fees	
average takedown	\$
management fee	\$
underwriters' expenses	\$
Any other Costs	\$
	\$
	\$
	\$
Total Cost	\$

**MPP = Maximum Possible Points = (5) x (Number of Evaluators) x (Weight)*

(Lowest total cost from all Offerors) x (MPP) = Offeror's Criterion Score*
(Offeror's aggregate rate)

SECTION D

AWARD and EVALUATION CRITERIA

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

ARRC reserves the right to select the top ranked firm(s) based solely on the scoring of the written proposals and to enter directly into negotiations with said firm(s). However, at its sole discretion, ARRC may require the highest ranked firms to make an oral presentation to the evaluation committee. In this event, oral presentations will be scheduled and held via video conference. The selected firms will have an opportunity to summarize the information provided in their written proposals, expand on their capabilities, experience and proposed approach and work plan and answer questions from the selection committee. It is important that the primary individuals servicing the engagement are present for this presentation.

Award Criteria	Weight
1 Experience and Qualifications of the firm.	30 points
2 Personnel Qualifications	25 points
3 Understanding of Key Financing Issues Related to ARRC	30 points
4 Fees	15 points
Total points (based on award criteria):	<u>100 points</u>

5 Presentation (if used as identified below)	30 points
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Maximum total points with Presentations:	<u>130 points</u>
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Interviews (Optional)

ARRC may elect, at its sole option, to conduct interviews.

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

Presentation

If used, ARRC will provide instructions to the selected firms in advance.

Upon completion of the interviews, the evaluation committee will review and score the material presented, add the additional scores to the first four criteria and determine a final ranking.

FINAL SELECTION

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

SECTION E

SELECTION PROCESS

Evaluation of Proposals

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

1. Scoring of proposals will be accomplished as follows:

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

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

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

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

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

2.1 Provide written recommendations for consideration during negotiations;

2.2 Conduct discussions in accordance with paragraph 3, below.

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

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

SECTION F

CONTRACTOR RESPONSIBILITY QUESTIONNAIRE

PART I - INSTRUCTIONS

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

PART II - IDENTITY OF OFFEROR

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

6. Offeror's legal address: _____

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

7. Offeror's local or authorized point of contact address:

Name: _____ Title: _____

Address: _____

Telephone Number: (____) _____ Email: _____

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

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

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

YES NO

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

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

PART III - CONTRACTING HISTORY

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

YES NO

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

YES NO

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

3. In the past five years has the Offeror been the subject of any of the following actions?
- A. Been suspended, debarred, disqualified, or otherwise declared ineligible to bid?
YES NO
 - B. Failed to complete a contract for a public or private entity?
YES NO
 - C. Been denied a low-bid contract in spite of being the low bidder?
YES NO
 - D. Had a contract terminated for any reason, including default?
YES NO
 - E. Had liquidated damages assessed against it during or after completion of a contract?
YES NO
 - F. Been a defaulter, as principal, surety or otherwise?
YES NO
 - G. Been denied an award of a public contract based upon a finding by a public agency that your company was not a responsible contractor?
YES NO
 - H. A public entity requested or required enforcement of any of its rights under a surety agreement on the basis of your company's default or in lieu of declaring your company in default?
YES NO
 - I. Been denied a performance or payment bond by a surety company?
YES NO
 - J. Been required to pay back wages and/or penalties for failure to comply with state or federal prevailing wage or overtime laws?
YES NO
4. Does Offeror currently possess the financial, organizational, technical, equipment, facilities, and other resources necessary to supply the goods or services sought by this solicitation? If no, on a separate sheet of paper describe how you intend to obtain the resources necessary to supply the goods or services sought by this solicitation.
YES NO
5. Does Offeror have any present or anticipated commitments and/or contractual obligations that might impact its ability to meet the required delivery or performance requirements of this solicitation? If yes, on a separate sheet of paper describe any apparent conflicts as between the requirements/commitments for this solicitation with respect to the use of Offeror's resources, such as management, technical expertise, financing, facilities, equipment, etc.
YES NO

PART IV-CIVIL ACTIONS

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

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

PART V-COMPLIANCE WITH LAWS AND OTHER REGULATIONS

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

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

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

YES NO

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

YES NO

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

YES NO

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

YES NO

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

YES NO

PART VI-FINANCIAL

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

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

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

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

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

PART VII -VERIFICATION AND ACKNOWLEDGMENT

The undersigned recognizes that the information submitted in the questionnaire herein is for the express purpose of inducing ARRC to award a contract, or to allow Offeror to participate in ARRC projects as contractor, subcontractor, vendor, supplier, or consultant. The undersigned has read and understands the instructions for completing this Questionnaire.

STATE OF _____

COUNTY OF _____

I, (printed name) _____, being first duly sworn, state that I am the (title) _____ of Offeror. I certify that I have read and understood the questions contained in the attached Questionnaire, and that to the best of my knowledge and belief all information contained herein and submitted concurrently or in supplemental documents with this Questionnaire is complete, current, and true. I further acknowledge that any false, deceptive or fraudulent statements on the Questionnaire will result in denial or termination of a contract.

I authorize ARRC to contact any entity named herein, or any other internal or outside resource, for the purpose of verifying information provided in the Questionnaire or to develop other information deemed relevant by ARRC.

Signature of Certifying Individual

Date

Subscribed and sworn to before me this _____ day of _____, 20____

Signature of Notary

Notary Public in and for the State of _____

My Commission Expires: _____

NOTICE TO OFFERORS

A material false statement, omission or fraudulent inducement made in connection with this Questionnaire is sufficient cause for denial of a contract award or revocation of a prior contract award, thereby precluding the Offeror from doing business with, or performing work for ARRC, either as a vendor, prime contractor, subcontractor, consultant or subconsultant for a period of five years. In addition, such false submission may subject the person and/or entity making the false statement to criminal charges under applicable state and/or federal law.

SECTION G

GENERAL TERMS AND CONDITIONS

RFP No. 22-14-209632

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 engaged to perform the work or services specified therein for ARRC.

"Contract" shall mean these General Terms and Conditions, the contract form or agreement 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. Nondiscrimination.

2.1 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.

3. Cancellation/Termination.

3.1 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

3.2 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 tThe 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

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