



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

April 11, 2022

REQUEST FOR PROPOSAL 21-24-209691

BENEFITS CONSULTING 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 they have received all addenda, and have acknowledged all addenda on their Proposal Bid Form.

Firms 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 procurement officer or by checking ARRC's internet site: www.alaskarailroad.com. Offerors must acknowledge the receipt of all issued addendum on their Proposal Bid Form.

Company _____

Address _____

Contact _____

Phone _____

Fax _____

Email _____

Website: www.alaskarailroad.com



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

April 11, 2022

REQUEST FOR PROPOSALS

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

21-24-209691
BENEFITS CONSULTING SERVICES

IMPORTANT

Proposals will be received until **3:00 PM LOCAL TIME on MONDAY, May 2, 2022 via Dropbox.**

For safety reasons during the global pandemic, one electronic copy of your firm's Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/M6xB7ebR6QdJo2vZAdVb> by proposal due date/time. It is the offeror's responsibility to verify with the Contract Administrator that their proposal was received timely. If your firm has restrictions on Dropbox submittals, you must contact your Contract Administrator at least seven days prior to the proposal due date to discuss alternatives.

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

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

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

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

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

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

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

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

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

SOLICITATION INDEX

- SECTION A STATEMENT OF SERVICES
- SECTION B PROPOSAL INFORMATION, CONDITIONS & INSTRUCTIONS
- SECTION C PROPOSAL FORMAT AND CONTENT
- SECTION D EVALUATION CRITERIA
- SECTION E SELECTION PROCESS
- SECTION F CONTRACTOR RESPONSIBILITY QUESTIONNAIRE & SERVICE BID FORM
- SECTION G GENERAL TERMS & CONDITIONS
(PROFESSIONAL SERVICES CONTRACTS)

ATTACHMENTS:

Informational Documents Provided By the Alaska Railroad

Plan Documents

1. My Benefits Journal – 2022 for Non-represented, ATDA, and IBT Represented Employees
2. My Benefits Journal – 2022 for employees represented by ARW, TCU, and UTU
3. a. Open Enrollment Material All 4 Plans
b. Open Enrollment Material Essentials
4. a. LIFE Insurance Booklet Management
b. LIFE Insurance Booklet Union

Contracts, Renewal and Reports

5. 2022 Renewal with Premera
6. 2022 ASC Contract
7. 2022 Matrix Contract
8. 2022 Vivacity/ComPsych Contract
9. 2022 Premera Knowledge Services Plan Analysis
10. Monthly ARRC Cost Tracking Graphs

SECTION A

STATEMENT OF SERVICES

1. Introduction and Background

The Alaska Railroad Corporation (ARRC) is a public corporation and instrumentality of the State of Alaska formed pursuant to AS 42.40 and is the last full service (passengers and freight) railroad in the United States, with a route that runs from Seward and Whittier at tidewater to the interior of Alaska just beyond Fairbanks. The corporate headquarters are in Anchorage. ARRC averages approximately 680 employees (year-round and seasonal), with employment reaching 750 in the summer season. Seventy-five percent (75%) of ARRC employees are represented by one of five (5) unions: Alaska Railroad Workers (ARW), American Train Dispatchers (ADTA), International Brotherhood of Teamsters (IBT), Transportation Communications Union (TCU), and the United Transportation Union (UTU). The remaining employees are non-represented and management personnel. The railroad bargains benefit matters with all five labor organizations.

As ARRC is a public corporation of the State of Alaska, its benefit plans are governmental plans and not subject to ERISA provisions. More information about ARRC may be found at www.alaskarailroad.com.

1.1 Health Plan

All ARRC Health Plans are self-insured and currently administered by Premera Blue Cross/Blue Shield of Alaska. All participants (employees, retirees, and COBRA enrollees) are covered under a single contract for experience rating purposes.

The railroad continues to make changes to the health plan in an effort to address unsustainable expenses. Through the labor negotiation process, the railroad added two new health plans the Blue Essentials, a traditional PPO plan, and Gold Essentials, a CDHP plan with a Health Saving Account (HSA).

Participation by active employees in the health plan is voluntary. Union-represented employees are eligible upon completion of a 90-day waiting period. Non-represented employees (except Special Services) are eligible from the date of hire. All eligible employees may enroll within 31 days of their eligibility date. If coverage is refused, they may enroll at the annual open enrollment period or within 31 days of a Qualifying Life Event. For 2021, the average number of employees on the health plans was 538 per month and 1,423 members per month.

There are three coverage levels for participating employees, whether union- or non-represented: self only, self plus one dependent and self plus two or more dependents. The amount of the employee premium payment varies depending on the Plan. Employees in the Blue and Blue Essentials Plan pay 20% of the premium, while employees in the Gold and Gold Essentials HDHP pay 15%.

The railroad offers medical and prescription drug coverage to retiring employees and their eligible family members. Employees who were enrolled in the Plan prior to retirement and who directly retired from ARRC are eligible to enroll in the retiree health plan. However, the retiree health plan is closed for all new employees (Collective Bargain Agreements state the effective date of closure). There are currently 33 enrollees and 45 members in the Retiree Medical Plan.

1.1.1 Stop-Loss

The railroad purchases \$400,000 individual stop-loss coverage with an aggregate specific deductible of \$125,000 from Matrix Group Benefits, LLC.

1.1.2 Dental Insurance Plans

The railroad's self-insured dental program is an optional benefit election open to all union and non-represented employees.

1.1.3 Section 125 Plan

The Plan provides an annual open enrollment period, typically November 15 to December 15.

1.1.4 COBRA and Retiree Medical Billing Services

Peak1 manages and issues COBRA election notices and tracks retiree payments for coverage. Former Plan participants (including employees on leave or layoff) are notified of their COBRA rights and submit their election forms and payments to Peak1. They remit collected premiums to the railroad net of an administrative fee. Peak1 provides the TPA with a monthly list of all COBRA participants and retirees.

1.1.5 Flexible Spending Account

Premera's subcontractor Connect-Your-Care provides medical and dependent care flexible spending account services. The railroad transmits enrollment and contribution data to the carrier.

The carrier receives and adjudicates claims, either from manual submissions or debit cards. The carrier provides monthly enrollment and financial reporting.

Non-represented employees are eligible for enrollment from the date of hire; most union employees are eligible if they have had at least 12 months of continuous employment and expect to work year-round. There are different medical FSA contribution maximums depending on the bargaining unit. There are currently 48 medical spending account participants and two dependent care participants.

1.1.6 Health Saving Accounts (HSA)

ARRC employees in the Gold or Gold Essentials Plan may also enroll in a Health Savings Account through the railroad in partnership with Premera, Connect-Your-Care and their partner bank.

Employees may enroll with just ARRC contributions or may also make personal contributions from their paychecks.

There are 204 HAS Participants.

Participants	ARRC Contribution
You Only	\$500
You + 1 Dependent	\$1,000
You + 2 or more Dependents	\$1,500

1.1.7 Railroad Employees' National Dental Plan

The labor contracts provide a free-standing, fully insured dental plan through the National Railway Labor Conference, administered by Aetna. Union-represented employees are required by their union contracts to participate and pay the entire premium cost for this Plan. Non-represented employees are not eligible to participate.

1.1.8 Life Insurance

The Alaska Railroad offers group life insurance options for basic life with AD&D coverage and supplemental offerings. If an employee takes the basic life with AD&D coverage, they are eligible to participate in the optional life programs. Hartford is the insurer for ARRC health and life insurance plans. Currently, the employer pays 1/3 of the cost of the Basic Life with Accident Plan Basic Life with Accident Plan cost and employee pay the other 2/3. The employee pays the full cost of all other optional coverages.

2. Intent of Solicitation

It is the intent of the Alaska Railroad Corporation (ARRC) to procure the services of a professional consulting firm that is capable and qualified to assist the ARRC in its efforts to:

- Improve ARRC benefit programs integration into the corporate strategic plan
- Improve the cost-effectiveness of the benefit plans
- Improve the level of statutory compliance of the benefits plans
- Improve employee communications regarding the content and value of ARRC benefits plans
- Improve the quality of contract administration of the benefits plans
- Improve the level of benefits data and plan analysis
- Improve the overall efficiency and design of the benefits plans
- Identify and assist in the development of new plan ideas and ways to administer the benefits plans

3. Scope of Work

Following is a representative list of the types of services that the ARRC is seeking. The services listed below would apply to the ARRC's health and wellness plans, life insurance plans, and reimbursement accounts, and similar benefits categories. Not all services will be required in a given year.

3.1 Strategic Planning

1. Establish short and long-term goals for benefits plans
2. Evaluate ARRC health plan accounting and employee rate setting
3. Conduct introductory meetings at the onset of the contract with all benefits plan vendors, review and clarify the services they offer
4. Develop a benefits philosophy specific to ARRC
5. Assess current employee communication practices (written, email and website), provide comparative analysis and recommendations
6. Review workforce trends and identify how the benefits program supports ARRC
7. Compare current benefits programs to National and Alaska peer benchmarks, provide comparative analysis and recommendations
8. Analyze the impact of healthcare legislation on current benefits plan designs and funding, provide comparative analysis and recommendations
9. Facilitate an annual face-to-face strategic planning meeting.

3.2. Program Design

1. Review current funding models and alternatives, and provide recommendations
2. Conduct an analysis of the benefits programs and identify opportunities to:
 - Reduce current cost trends

- Optimize vendor performance and vendor cooperation
 - Improve the health and productivity of the workforce
 - Improve clinical outcomes
 - Determine how to best utilize benefits programs to influence recruitment, retention and retirement
 - Analyze how members utilize healthcare (by demographics, risk factors, etc.)
 - Identify benefits program operational/administrative inefficiencies and gaps in best-practices
 - Enhance employee appreciation and satisfaction of benefits programs
 - Identify missed opportunities
 - Plan design alternatives, review and make recommendations
 - Recommendations on contribution models (employee rate setting) for employees & employers and retirees
 - Budgets and economic impact measurements of proposed changes
3. Assess the impact of proposed plan designs on employee satisfaction, and conduct employee surveys
 4. Meet with senior executives, key stakeholders, Human Resources (HR), to discuss current and future plan options/changes

3.3 Communications

1. Assist the railroad with the development of communications for new programs/benefits or changes to existing programs/benefits, to include print-ready:
 - Employee emails, home mailings and web content, for example
 - i. The current health plan coverage and terms
 - ii. Understanding preventive care benefits
 - iii. Pharmacy benefits and why it is essential to have a formulary
 - iv. How to use the Plan effectively and the employee's role in controlling costs
 - Open enrollment material
 - Open enrollment presentations
 - Retirement Plan benefit books
 - Unique ways to connect with employees who do not have internet access

3.4 Renewal, Marketing and Vendor Selection

1. Representing the railroad in negotiations, as needed, with providers on a wide range of issues, including those related to fees, benefit levels, plan design, and contracts
2. Quantify the financial impact of renewals and negotiate any variance between renewal rates and budget projections for Healthcare, Pharmacy Benefit, Vision Care, Life and Accidental Death and Dismemberment (AD&D), and other lines of coverage (as applicable)
3. Reviewing contracts with vendors to ensure accuracy and comprehensiveness of coverage; provide guidance in contract interpretation as needed
4. Assist in coordinating benefits changes with vendors
5. Analyze health plan, historical cost trend analysis vs. peer and national benchmarks. Facilitate the selection of the most relevant survey tools for Healthcare, Pharmacy Benefit, Dental Care, Vision Care, Life/AD&D, and PTO
6. Update the financial reporting package to include:
 - Month-by-month paid claims segregated by the line of coverage
 - Month-by-month enrollment

- Actual plan expenses compared to budget
 - High claimant activity report including plan option elected, relation, diagnosis, paid claims amount, and increase in the most recent month
 - Develop an Executive Dashboard of Key Plan Metrics
 - Assist with marketing of benefits programs to potential vendors
 - Identify vendors as part of the Request for Proposal (RFP) process
 - Assist in responding to vendor questions to the RFP's and data requests
 - Assist in the negotiation of best and final offers
7. Prepare and present a detailed analysis of RFP responses and financial proposals for Healthcare, Pharmacy Benefits, Wellness Services, Life, LTD, Flexible Spending Account (FSA), etc. For example:
 - Rates and their financial impacts
 - Network discount analysis and disruption
 - Provider disruption analysis
 - Formulary analysis
 - Service capabilities
 - Performance guarantees
 - Benefits designs and variances from current plans
 - Carrier financial ratings, performance and their scope of services
 - Cost analysis associated with program changes and employee disruption

3.5 Actuarial Services

1. Identify emerging national, state and plan trends and project costs based on historical paid claims and current market trends
2. Develop annual employee rates:
 - Active, COBRA and Retiree rate development
 - Plan design change valuation
 - Employee out-of-pocket outlay analysis by plan options
 - Post-Enrollment Analysis
3. Provide high claimant probability modeling
4. Provide enrollment migration modeling as plans are changed
5. Annual Attestation for the Retiree Drug Subsidy (RDS) program

3.6 Data Warehousing

1. Provide centralized data warehouse tool with identified staff to design, run queries and analyze results in such areas as:
 - Health/risk status
 - Disease management
 - Preventive Care Compliance
 - Health plan trends
 - Pharmacy benefit trends
 - Chronic Gaps in care for members with chronic conditions

3.7 Clinical and Health Risk Management Services

1. Provide a Medical Director and staff to support ARRC with the management of their health plans in such areas as:
 - Clinical interpretation of utilization data
 - High-cost claimant review and treatment protocols
 - Recommend interventions to contain/reduce cost

3.8 Compliance Management Assistance

1. Research legislative/regulatory issues – both national and regional
2. Provide updates and periodic topical seminars and webcasts on trends and developments for Health & Welfare legislative guidance
3. Conduct a technical review of vendor proposed revisions to Contracts, Summary Plan Descriptions (SPDs), Agreements, Benefits Handbook, etc. for compliance with terms and plan requirements
4. Annual Medicare Part D Creditable Coverage Determination
5. Assistance with the Annual Retiree Drug Subsidy (RDS) filing

3.9 Ongoing Services / Stakeholders Support

1. Make presentations and provide updates to the Cost Containment Committee and others. Typical presentation topics could include:
 - Demographic analysis by Plan
 - Enrollment and cost by Plan
 - Discount analysis
 - Medical costs and utilization
 - Pharmacy costs and utilization
 - Health status and chronic disease burden
 - Wellness and disease management opportunities
 - Benchmarking
2. Review and recommend plan design changes and pricing in such areas as:
 - Best practices in plan design and management
 - Regulation updates and compliance
 - Cost control measures
 - Other issues and projects to help control costs and improve the sustainability of the health, pharmacy, vision and wellness plans

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 hopem@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 LOCAL TIME on MONDAY, May 2, 2022 via Dropbox.**

For safety reasons during the global pandemic, one electronic copy of your firms Proposal must be submitted using Dropbox. Proposals shall be submitted to the Dropbox link <https://www.dropbox.com/request/M6xB7ebR6QdJo2vZAdVb> by proposal due date/time. It is the offeror's responsibility to verify with the Contract Administrator that their proposal was received timely. If your firm has restrictions on Dropbox submittals you must contact your Contract Administrator at least 7 days prior to proposal due date to discuss alternatives.

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

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

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

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

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

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 award a contract or contracts resulting from this solicitation to the responsible Offeror 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 contract negotiations. If the 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, prior to entering into a contract, subsequent information indicates that such award was not in the best interest of ARRC, ARRC may rescind the award without prior notice to Offerors and either award to another Offeror or reject all proposals or cancel the RFP.
- (k) To terminate the contractor at any point in the evaluation process or after award if the approved personnel become unavailable, are switched off project by the firm, or the qualifications are generally found to be inadequate. All personnel reassignments to and from the project will be approved by ARRC.

6. Proposal Costs

Each 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. Page count does NOT include the 2-page cover letter, the questionnaire response, resumes, or the requested sample documents.

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

- summarize the main qualifications of the firm and verifying that the firm meets the minimum qualifications (item #14) 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 Contractor deems will emphasize the Contractor's ability to successfully perform the services required and demonstrate why selection of Contractor would be advantageous to ARRC

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

- a. Service Bid Form (signed and with all addendum acknowledged)**
- b. Bidders Questionnaire in Section F**

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. Costs

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

11. Purchase Obligation

ARRC and responding firms expressly acknowledge and agree that ARRC has made no express or implied promises to expend any dollar amounts with respect to the services addressed by this RFP. By submitting a proposal in response to this RFP, each firm acknowledges and agrees that the provisions of this RFP, and/or any communication, statement, act or omission by representatives of ARRC (including consultants) in the selection process, shall not vest any right, privilege, or right of action in any Offeror.

12. Exceptions to Terms, Conditions and Specifications

Any contract resulting from this solicitation shall incorporate the General Terms and Conditions contained in this solicitation package. Each 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.

13. Public Information

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

14. Qualifications of Offerors

Minimum Qualifications:

Offeror must meet the following minimum qualifications.

- A minimum of five years prior experience with governmental entities as clients.
- A minimum of five years of experience with clients that are highly unionized
- Must have similar benefits consulting experience as outlined in this RFP within the last five years with organizations with at least 500 employees.
- Experience working with cafeteria-style benefit programs, including IRS Tax Code Sections 125 and 129 flexible spending plan arrangements.

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 Contract Award. 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 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.

15. Alaska Bidder's Preference

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

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

Offerors seeking an Alaska Bidder's Preference must include a statement 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.)

16. Contract Period

The contract shall be effective from contract execution and shall run for a period of three years, with an option to renew for two (2) additional one-year periods.

SECTION C

PROPOSAL FORMAT AND CONTENT

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

Proposals must be complete as to the requested information.

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

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

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

SECTION D

EVALUATION CRITERIA

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

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

DESCRIPTION

WEIGHT

I. Firm Qualifications and Experience:

20 Points

1. Provide a summary of your firm's history and current market position. Please include how your firm is organized and the locations of local, regional, and national offices.
2. Describe your firm's consulting philosophy.
3. Describe how the firm:
 - i. Is uniquely qualified to provide benefits consulting services.
 - ii. Is taking a leadership role in the benefit consulting industry.
 - iii. Is using your local and national market knowledge to benefit your clients.
 - iv. How your firm will support the railroad's consulting needs throughout the year.
 - v. How your firm identifies "best in class" benefits program designs and vendors.
4. What size clients does your firm generally work with?
5. Identify the office(s) that would provide services under this engagement – location, mailing address and phone contact.
6. Describe your firm's experience and the consulting team's experience in the Alaskan market.
7. Please describe how you identify Alaska trends and issues.
8. Describe your firm's experience with employers with seasonal workforces.
9. Describe your firm's knowledge of current legislative changes in Alaska that will impact the railroad's benefit programs.
10. Describe your firm's capabilities and experience with self-insured programs.
11. Describe your firm's experience with a variety of stop-loss arrangements.
12. Describe your experience in assisting with the development and implementation of population health management programs.
13. Describe your firm's experience with forecasting population risk factors and identifying methods for addressing those risk factors.
14. What information does your firm maintain on benefits programs offered by other railroads and public employers? Can your firm generate custom reports from that information?

15. Provide proof that your company carries Errors and Omission insurance.
16. In your opinion, what are the major challenges companies are facing in the current benefits environment and how will your team assist the railroad in meeting those challenges.

II. Personnel Qualifications & Experience: 10 Points

1. Provide the bios and experience for each primary team member that will be assigned to our account and identify their primary role.
2. Would you anticipate hiring additional personnel to service the railroad's account?
3. Describe how you propose to conduct meetings with the railroad while your team is learning about our culture, benefit programs and vendors.
4. How much time will you need to review plan documents and vendor contracts as part of the initial startup process?
5. If it were necessary for a representative(s) to travel to Anchorage, Alaska, how much notification time would be required?
6. What is the team's initial observations of railroad's health care plan?

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

III. Methodology and Approach: 20 Points

1. Provide an overview of your approach to strategic planning.
2. Explain any differences in your consulting approach between public and private sector clients.
3. Give a brief description of your company's involvement with clients who have a large unionized workforce and how you facilitate change in a union environment.
4. Summarize your company's strategy and abilities to deal with legislative trends and issues at both the state and federal levels.
5. Describe your actuarial services and support for health plan issues.
6. Describe your firm's health plan analytic capability and provide copies of recent reports your company has written that analyze the population risk factors in a health plan and suggested action items.
7. Describe your philosophy toward vendor management.
8. Provide examples of measurable performance standards that you have negotiated with vendors for self-funded plans and if they improved vendor performance.
9. What type of historical data does your firm need to effectively analyze the benefits programs on a quarterly basis?
10. Please provide examples of:
 - i. Employee educational materials that your firm has developed to help employees learn about or better understand their benefits programs.
 - ii. Recent reports your company has written analyzing the differences between health plan programs and/or issues.

IV. Data Warehouse: 15 Points

1. Can you provide a centralized data warehouse tool that offers decision support for self-funded plans?
2. Is that tool capable of the following?
 - Overall population health and risk scores
 - Predicting which members will be the next health care problem and why
 - Identifying preventive care compliance gaps

- Health plan trend analysis and the margin of error for a group our size
 - Pharmacy benefit trend analysis and the margin of error for a group our size
 - Pharmacy compliance gaps
 - The impact on plan costs of new medications when they come to market
 - Chronic Gaps in care for members with chronic conditions
3. Are there support staff to design, run queries and analyze results and can the railroad directly interact with that staff?
 4. Can the system provide comprehensive longitudinal cohort reports showing risk factors and claims expenses?

IV. Financial Issues: 5 Points

5. Provide information about your company's financial status and stability.
6. Describe any planned changes in your organization (mergers, acquisitions, etc.) that may impact the delivery of services.
7. What is your company's billing cycle?
8. Does your company invoice by hours or a monthly retainer?
9. If travel is necessary, what costs would be billable? (List additional charge on Rate Response Form ONLY).
10. Describe the process for quoting and billing special projects that are outside of the Contract.
11. Based on the information provided, has your firm identified any potential projects that would be outside of the RFP's Scope of Work.

V. Communications: 20 Points

1. The railroad's HR team serves both represented and non-represented employees who work in a wide variety of jobs. Different roles and responsibilities make it a challenge for HR to communicate the benefit programs. Not all employees can access online information because their job duties do not require them to log into a computer. Describe your ability to address these communication challenges.
2. Describe a few innovative ideas you have regarding communication programs with the spouse of the employee.
3. Does your firm offer any unique communication tools that would allow the railroad to better reach its employees?
4. Provide examples of employee benefits communications your company has authored and designed.

VI. Special Services: 5 Points

5. Describe the process with which your firm will use to interpret the railroad's claims data and how that will benefit the railroad with the management of the plans.
6. Does your firm offer any unique tools that allow employees to research the best cost and quality of care options?
7. Does your firm offer any unique tools for open enrollment that allow employees to research which health care plan meets their needs best?
8. Does your firm provide any employee claims advocacy programs?
9. Describe any services you offer around employee focus groups or employee surveys.
10. Describe any services you offer with benefit web design.
11. Describe any additional services offered by your company that may interest the railroad.

VII. Plan Compliance:

5 Points

1. Describe your firm's resources for monitoring compliance issues:
 - i. Specific to the State of Alaska.
 - ii. Federal compliance issues (Patient Protection and Affordable Care Act, HIPAA, COBRA, etc.).
 - iii. Provide examples of resources specific to monitoring legislation and regulations and informing on issues and events that may impact the benefits programs.
2. How will you ensure that our Plan remains in legal compliance and is fully aligned with the latest legislation?
3. Do you have an internal ERISA attorney or an external resource (the railroad uses ERISA to guide its benefit programs)?

VIII. Cost Proposal:

20 Points

Provide a cost proposal that includes a summary of all fees detailing services related to such fees, including full disclosure of sub-contractor 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 initial term of the contract.

The Total 3-year cost will be used as basis for evaluation.

Fees	Year 1	Year 2	Year 3	Total
Flat Fee for Consulting Services	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Any other Costs	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total 3-year cost				\$

Data Conversion Cost – Please provide costs for data conversion. These costs are for budgeting purposes only, they will not be included in the evaluation.

CONTRACT AWARD

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

SECTION E

SELECTION PROCESS

Evaluation of Proposals

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

1. Scoring of proposals will be accomplished as follows:

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

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

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

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

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

2.1 Provide written recommendations for consideration during contract negotiations;

2.2 Conduct discussions in accordance with paragraph 3, below.

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

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

SECTION F

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 contract 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 (Professional Service Contracts) (Revised 3/4/08)

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

1. Definitions.

"ARRC" shall mean the Alaska Railroad Corporation.

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

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

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

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

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

4. Nondiscrimination.

4.1 The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental handicap, sex, marital status, change in marital status, pregnancy or parenthood when the reasonable demands of the positions do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. To the extent required by law, the Contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, physical or mental handicap, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.

4.2 The Contractor shall cooperate fully with ARRC efforts which seek to deal with the problem of unlawful discrimination, and with all other ARRC efforts to guarantee fair employment

practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.

4.3 Full cooperation in Paragraph 4.2 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the Contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the Contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and state laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

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

5. Cancellation/Termination.

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

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

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

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

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

5.3 Upon receipt of a notice of cancellation or termination, Contractor shall immediately discontinue all service and it shall immediately cause any of its suppliers or subcontractors to cease such work unless the notice directs otherwise and deliver immediately to ARRC all reports, plans, drawings, specifications, data, summaries or other material and information, whether completed or in process, accumulated by Contractor in performance of the contract. In the event of termination for default, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the amount to be paid on this contract exceeds the expense of finishing the work, compensation for additional managerial and administrative services and such other costs and damages

as ARRC may suffer as a result of Contractor's default, such excess shall be paid to Contractor. If such expense, compensation, costs and damages shall exceed such unpaid balance, Contractor shall be liable for and shall pay the differences to ARRC. The rights and remedies of ARRC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

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

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

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

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

Contractor hereby represents and warrants to and for the benefit of ARRC and its successors and assigns that no part of its work product for ARRC will infringe any patent rights or copyrights or utilize any proprietary, confidential or trade secret information or other intellectual property for which Contractor does not have the unqualified right to grant ARRC the license and sublicensing rights referred to above. Contractor shall defend, indemnify and hold harmless ARRC, its successors and assigns, and their respective representatives, agents and employees from and against, any and all claims, defenses, obligations and liabilities which they may have or acquire under or with respect to any patent, copyright, trade secret, proprietary or confidential information, or any other form of intellectual property that may be asserted by Contractor or any other person which arises out of, results from or is based upon the manufacture, use or sale by ARRC or any of its successors or assigns of any of Contractor's work product for ARRC. ARRC shall have the right to select its legal counsel and control its defense in any litigation resulting from any such claim.

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

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

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

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

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

Contractor's agreement of non-disclosure as specified in this section applies except to the extent required for (1) performance of services under this contract; (2) compliance with professional standards of conduct for preservation of the public safety, health, and welfare (so long as Contractor has given ARRC prior notice of the potential hazard and ARRC has had a reasonable opportunity to correct the hazard prior to disclosure); (3) compliance with a court order or subpoena directed against Contractor (so long as Contractor has given ARRC prior notice of such and ARRC has had an opportunity to contest the same in a court of law); or (4) Contractor's defense against claims arising from performance of services under this contract.

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

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

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

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

17. Insurance. Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this contract the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, ARRC shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the ARRC contracting officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Contractor's services.

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

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

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

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

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

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

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

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

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

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

23. Conflict of Interest. Contractor shall act to prevent any actions or conditions which could result in a conflict with ARRC's best interests. This obligation shall apply to the activities of Contractor's employees and agents in their relationships with ARRC's employees, their families, vendors, subcontractors and third parties accomplishing work under this contract.
24. Publicity. Contractor shall not release any information for publication or advertising purposes relative to this contract or to the material, equipment and/or services furnished under this contract without the prior written consent of the ARRC.
25. Audit. ARRC has the right to audit at reasonable times the accounts and books of the Contractor in accordance with the provisions of ARRC Procurement Rule 1600.10.
26. Internal Controls and Record Keeping. Contractor shall keep full and accurate records and accounts of all of its activities in connection with this contract, including, without limitation, reasonable substantiation of all expenses incurred and all property acquired hereunder.
27. Force Majeure. Neither ARRC nor Contractor shall be responsible for failure to perform the terms of this contract when performance is prevented by force majeure, provided that: (1) notice and reasonably detailed particulars are given to the other party and (2) the cause of such failure or omission is remedied so far as possible with reasonable dispatch. The term "force majeure" shall mean acts of God, earthquakes, fire, flood, war, civil disturbances, governmentally imposed rules, regulations or other causes whatsoever, whether similar or dissimilar to the causes herein enumerated, which is not within the reasonable control of either party and which through the exercise of due diligence, a party is unable to foresee or overcome. In no event shall force majeure include normal or reasonably foreseeable or reasonably avoidable operational delays.
28. Permits and Licenses. The Contractor shall, at its own expense, obtain all necessary permits, licenses, certifications and any other similar authorizations required or which may become required by the government of the United States or any state or by any political subdivision of the United States or of any state except where laws, rules or regulations expressly require the ARRC to obtain the same.
29. Environmental Protection. When performing all obligations under the contract, Contractor shall comply with all specific instructions of ARRC with regard to environmental concerns, regardless of whether such instructions are based upon specific law, regulation or order of any governmental authority.
30. Set Off. If ARRC has any claim against the Contractor related or unrelated to this contract, it may set off the amount of such claim against any amount due or becoming due under this contract.
31. Observance of Rules. The contractor's personnel performing work or services hereunder on ARRC's premises shall observe all fire prevention, security, and safety rules in force at the site of the work.
32. No Third-Party Beneficiary Rights. No provision of this contract shall in any way inure to the benefit of any third parties (including the public at large) so as to constitute any such person a third-party beneficiary of the contract or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.
33. Entire Agreement. This contract represents the entire and integrated agreement between ARRC and the Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. This contract may be amended only by a written instrument signed by both ARRC and the Contractor.

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

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