

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number	2. Contract Title State Bond Counsel	3. Agency Fund Code	4. Agency Appropriation Code
5. Vendor Number	6. IRIS GAE Number (if used)	7. Alaska Business License Number	

This contract is between the State of Alaska,

8. Department of Law	Division Public Corporations and Government Services	hereafter the State, and
9. Contractor <div style="text-align: right;">hereafter the contractor</div>		
Mailing Address	Street or P.O. Box	City State ZIP+4

10.

ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.

ARTICLE 2. Performance of Service:

2.1 Appendix A (General Provisions), Articles 1 through 16, governs the performance of services under this contract.

2.2 Appendix B sets forth the liability and insurance provisions of this contract.

2.3 Appendix C sets forth the services to be performed by the contractor.

ARTICLE 3. Period of Performance: The period of performance for this contract begins ___, and ends ___.

ARTICLE 4. Considerations:

4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$___ in accordance with the provisions of Appendix D.

4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:

11. Department of Law	Attention: Division of Public Corporations and Government Services
Mailing Address	Attention: 03contractpayments@alaska.gov

12. CONTRACTOR		14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove, or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title			
13. CONTRACTING AGENCY		Signature of Head of Contracting Agency or Designee	Date
Department/Division	Date		
Signature of Procurement Officer		Typed or Printed Name	
Typed or Printed Name of Procurement Officer		Title	
Title			

NOTICE! This contract has no effect until signed by the head of the contracting agency, procurement officer or designee.

APPENDIX A GENERAL PROVISIONS

Article 1. Definitions.

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

Article 2. Inspections and Reports.

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

Article 3. Disputes.

- 3.1 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

Article 4. Equal Employment Opportunity.

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

Article 5. Termination.

- 5.1 The Procurement Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. In the absence of breach of contract by the contractor, the State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.
- 5.2 The Procurement Officer may also, by written notice, terminate this contract under Administrative Order 352 if the contractor supports or participates in a boycott of the State of Israel.

Article 6. No Assignment or Delegation.

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

Article 7. No Additional Work or Material.

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

Article 8. Independent Contractor.

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

Article 9. Payment of Taxes.

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law; Forum Selection

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

Article 13. Officials Not to Benefit.

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

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

Article 15. Compliance.

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

Article 16. Force Majeure:

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

APPENDIX B²

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor agrees to indemnify and hold the contracting agency harmless from and against any and all third-party claims, suits and actions, and all associated damages, settlements, losses, liabilities, costs and expenses, including without limitation reasonable attorneys' fees, to the extent finally determined to have resulted from the Contractor's negligent performance of the services set forth in this agreement. Notwithstanding the foregoing, nothing herein shall (i) serve to expand the Contractor's scope of professional responsibilities as set forth in the laws and canons of ethics, (ii) extend any statute of limitations governing any claim arising from the Contractor's acts or omissions or (iii) waive any claims or defenses that the Contractor may have against the contracting agency or any other party."

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

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

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

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

2.4 Professional Liability Insurance: covering all errors, omissions, or negligent acts in the performance of professional services under this agreement. Minimum required limit for this agreement is \$5,000,000 per Claim/Annual Aggregate.

APPENDIX C

Article 1 Services to be performed by the Contractor.

Article 1.1 The Contractor _____ shall act as bond and disclosure counsel for the State Bond Committee (SBC) with respect to the preparation and/or review of documents for and proceedings related to the authorization, issuance, sale and delivery of bonds or other financing instruments and shall perform with respect thereto (i) all services normally provided by bond counsel with respect to said authorization, issuance, sale and delivery; and (ii) all services as requested in connection with the exercise by the State of its purpose and powers in connection with the ultimate financing of its programs. The said services shall include but not be limited to the following:

- a. Conferences with the SBC's financial advisor, underwriter, underwriter's counsel, Debt Manager and staff, and with each entity and its counsel, as may be necessary, in connection with the authorization, issuance and sale of said bonds.
- b. Conferences with the SBC and other SBC representatives for the purpose of informing members as to the contents of, and requirements to adopt, all legal documents necessary in connection with the authorization, sale, and delivery of said bonds. This includes customary bond and disclosure counsel services and assumes the Contractor is responsible for preparing the Preliminary Official Statement and Final Official Statement.
- c. Conferences, negotiation sessions and drafting of related documents pertaining to bond issues.

The items referred to under subparagraphs (a) (b) and (c) above, shall constitute "work directly related to a particular bond issue" as hereinafter defined and amplified.

"Work directly related to a particular bond issue" shall include, in addition to the items mentioned above, drafting and review of the Bond Resolution, Trust Indenture or Trust Agreement necessary to secure the bonds, drafting and review of other security documents such as Investment Agreements, drafting and review of any documents necessary to establish the tax exempt status of the bonds, including without limitation preparation and review of the Official Statement or other statement of the SBC issued to describe the bonds and the programs to be financed and any due diligence with respect thereto, drafting and review of all documents necessary to sell the bonds whether at public or private sale, preparation of documents necessary in connection with delivery of the bonds and the issuance of the final approving opinions with respect thereto and any other opinions called for in connection therewith and all conference meetings with the SBC, the staff, the financial advisor and others in connection therewith. Unless otherwise addressed below, compensation for such services shall be based on the applicable fee schedule contained in Appendix D of this agreement.

Article 1.2 The Contractor shall also provide bond and disclosure counsel services that may not be related to a particular bond issue. Compensation for such services shall be made on an hourly fee basis contained in Appendix D, of this agreement and shall include, but not necessarily be limited to:

- a. legal interpretation and guidance regarding compliance with Bond and/or General Resolutions and agreements and the resolution of related issues that may arise.
- b. advice or representation for the SBC in regard to federal or State legislation, potential authorizations, regulation, program modification, litigation, administrative proceedings, or other matters related to the issuance of debt by SBC or revenue issuances by SBC, or any other type of authorized debt that may lie outside of the scope of bond and disclosure counsel services described in Article 1. The State may require a separate contract on any matter that, in its judgment, may be sufficiently complicated or prolonged to justify the work on an hourly fee basis.

Article 1.3 It is agreed between the parties that the State shall determine the scope of the services to be rendered by the Contractor and that the State has the option to and may perform all or part of the work involved in

each matter assigned under this contract. It is further agreed that the State may require a separate contract on any matter that, in its judgment, may be sufficiently complicated or prolonged to justify a separate contract.

Article 2. Contract Management

Article 2.1 The designated contact person and lead attorney for the Contractor is _____. The Contractor's services under this contract shall be directed and managed from the Contractor's _____ office. Assisting _____ are _____. The Contractor may assign other attorneys to provide services under the contract after providing written notice to, and obtaining approval from, the State. All attorneys assigned to provide services under this Contract shall work under the direction and management of the individual listed above.

Article 2.2 The Contractor will maintain the involvement of the individuals identified in Article 2.1 above in advising and representing the SBC in this contract. In the event of an unforeseeable circumstance that requires substitution for any of those individuals, the Contractor shall notify the State in writing of the proposed substitution. The State reserves the right to accept or reject a proposed substitute.

Article 2.3 Within the time period established by the State, the Contractor shall develop an estimate of the time and costs necessary to complete each service that falls under, Article 1.2 above.

Article 2.4 At the request of the State's Debt Manager or other government representatives, the Contractor shall prepare and maintain a workplan and budget approved by the State to accomplish the assigned tasks for any assignment that falls under Article 1.2 above and is initially estimated to require more than twenty-five hours of billable time to complete. Each proposed workplan and budget shall be prepared by the Contractor within the time period established by the State and shall include:

- a. a summary of the project, case, or matter;
- b. a discussion of the major strategy options including benefits, risks and the potential costs associated with each;
- c. a proposed/recommended strategy;
- d. a list of major tasks to accomplish within the next 12 months to support the recommended approach and strategies;
- e. identification of critical dates and proposed monthly schedule for completion of each task including responsibilities and estimated time and cost to complete; and
- f. a description of staffing roles and responsibilities.

As they are submitted, the State will review each proposed workplan and budget, specify any necessary changes, and have authority to approve the final plan. During the period of this agreement the Contractor shall continually update each workplan and budget to reflect changes in strategy, timing, cost, etc. and submit all proposed revisions to the State for approval.

In order to accommodate special circumstances or those matters which unexpectedly increase in scope, the State reserves the right to request the Contractor to prepare and maintain a workplan and budget at any point during the period the Contractor is working on a particular assignment or on any matter regardless of its original estimated cost of completion.

Article 2.5 The Contractor agrees to participate in periodic status meetings with the State's Debt Manager or other government representatives that may be designated by the State, and to prepare and present at the meeting a summary of the status of the tasks for which the Contractor is responsible.

Article 2.6 Before a cost overrun is incurred: the Contractor agrees to alert the State when it appears that total expenditures under the contract may exceed the contract ceiling established under Appendix D, Article 1.4. When so notified, the State may elect to amend this agreement to increase the contract ceiling, perform the task(s) in-house, change the scope of work, or use some combination of these alternatives. In the event the Contractor fails to notify the State prior to incurring a cost overrun, the Contractor shall assume liability for any excess costs and fees incurred up until the time at which the Contractor notifies the State of the overrun.

Article 2.7 In matters in which the parties determine that professional/expert witness services are needed by subcontract, the State shall set criteria for the Contractor to apply in selecting such experts. The State reserves the right to approve or reject the selection of all expert witnesses, to select the expert witnesses, and to participate in any subcontract negotiations with the Contractor. Generally, the State will require the Contractor to impose upon expert witnesses terms and conditions identical to those contained in this agreement, including the preparation and maintenance of a detailed workplan and budget, clearly establishing liability for cost overruns, and compliance with the billing policies and procedures contained in Appendix D. The Contractor agrees to direct and monitor expert witness performance and to assume responsibility for payment of expert witness invoices and the resolution of any fee disputes. For its part, the State agrees to reimburse the Contractor for all expert witness costs and fees that fall within the scope of an approved workplan and budget or are otherwise allowable under the terms and conditions of an approved expert witness subcontract or letter of agreement.

Article 2.8 At any point during the period of this agreement that the Contractor becomes aware of a potential conflict of representation and wishes to obtain a waiver from the State, the Contractor shall submit a written request to the Deputy Attorney General that contains the following information:

- a. Full disclosure of the scope of the matter the firm and designated lawyer's desire to perform for the named entity or individual, and
- b. Statement of the reason why the conflict would not be so substantial as to be deemed likely to interfere with the lawyer's exercise of independent professional judgment or affect the integrity of services that the State expects and the firm and designated lawyers have contracted to perform for the State.

Article 2.9 Copies of any significant briefs prepared by the Contractor shall be sent to the State Department of Law's Legal Administrator for review and possible inclusion in the State's automated brief bank indexing system. In addition, upon conclusion of this agreement, unless other storage/retention agreements are approved by the State's Deputy Attorney General, all case files including discovery, other evidentiary materials, and any automated litigation support data shall be forwarded to the State's Department of Law.

Article 2.10 Unless directed otherwise, the SBC and the Attorney General's Office shall be the primary points of contact for all substantive dealings with the media. In the event the Contractor is contacted by media representatives concerning any matters being handled on behalf of the SBC, the Contractor should decline any comment beyond confirming factual matters that are already a matter of public record and refer the individuals to the SBC. News releases pertaining to this contract may not be made without prior written approval of the State.

Article 2.11 In addition to the obligations assumed by the Contractor to protect information obtained through its attorney-client relationship with the State, the Contractor shall not, at any time, during or after the term of this agreement, without the State's written consent, disclose any information designated confidential by the State.

Article 2.12 The period of performance of this contract begins upon execution of this agreement by the Attorney General. The contract will be for a five-year term. The dollar amount of the contract may be amended at the State's discretion in accordance with the terms contained in Article 2.6 above. Furthermore, the period of performance or the dollar amount of this agreement may be amended in order to provide a reasonable period of transition at the end of the contract term or to provide for the Contractor's continued representation in any litigation or other proceedings that may extend beyond the normal termination date of this agreement.

APPENDIX D

Article 1 Consideration

Article 1.1 In full consideration of the Contractor's performance under this contract, the contractor agrees to the following caps on transactions. Should the contractor's typical hourly rates exceed the cap, the State will pay only the amount of the cap.

Transaction Types	Do not exceed cap
C.1 General Obligation #1: Initial issuance of \$200 million, and three subsequent annual issuances of \$75 million for a total of \$425 million (i.e. year one - \$200 million State of Alaska GO bond issuance, year two - \$75 million, year three - \$75 million, year four - \$75 million).	\$ -
C.2 General Obligation #2: Initial issuance of \$100 million, and four (4) subsequent annual issuances of \$50 million for a total of \$300 million (i.e. year one - \$100 million State of Alaska GO bond issuance, year two - \$50 million, year three - \$50 million, year four - \$50 million, year five - \$50 million).	\$ -
C.3 Bond Anticipation notes #1 Initial issuance of \$200 million for a one-year note, and one subsequent one year note in the amount of \$75 million.	\$ -
C.4 Bond Anticipation notes #2: Initial issuance of \$100 million for a one-year note, and two subsequent one-year notes in the amount of \$60 million.	\$ -
C.5 Alaska International Airports System Enterprise Revenue Bonds #1, an issuance of \$125 million for new money revenue bonds.	\$ -
C.6 Alaska International Airports System Enterprise #2, \$250 million in revenue and refunding bonds (an initial issuance of \$150 million for new money and \$100 million in refunding bonds.	\$ -
C.7 Revenue Anticipation notes #1: Initial issuance of \$500 million for one-year notes, \$500 million for nine- month notes, and \$500 million for six-months notes all issued in the same fiscal year and due August 1 of the subsequent fiscal year.	\$ -
C.8 Annual Clean Water and Drinking Water bond anticipation note. The State conducts an annual overnight borrowing by issuing bond anticipation notes for the Alaska Clean Water and Drinking Water Funds. This issuance has been in the \$3 to \$5 million range, is not tax-exempt and is issued only for the purpose of obtaining match dollars to receive additional federal grants. The flat fee for providing enacting and closing documents for this annual issuance may not exceed \$10,000.	\$ -
C.9 Master Lease line of credit. The state maintains a master lease line of credit for financing the purchase of equipment. The average activity in this program has been approximately one entry per-year. The flat fee for providing enacting and closing documents on an entry into the program may not exceed \$10,000.	\$ -

The fees for services referenced above shall be paid after issuance of the debt. In situations where alternative financing instruments may be employed, the State reserves the right to either negotiate a separate fixed fee method of payment for services related to the issuance of such instruments or to request the Contractor to bill for services rendered under the cost and hourly fee provisions contained in Articles 1.2 and 1.3 below.

Article 1.2 For work not directly related to a particular bond issue (as described in Appendix C, Article 1.3, of this agreement) or is otherwise not covered under the payment provisions contained in Article 1.1 above, the State shall pay the Contractor (including the identified lead and other assigned attorneys) at the hourly rates listed below:

Name:	Title:	Rate:

Article 1.3 The State shall also reimburse the Contractor for actual out-of-pocket expenses incurred while providing services under this agreement. Such reimbursement shall be limited as follows:

<u>Service or Expense</u>	<u>Charge/Rate</u>
Reproduction	\$0.10 per page
Computerized Legal Research (such as Lexis/Nexis, Westlaw/Dialog)	At cost as invoiced
Courier Services	
Automobile Messenger Deliveries	At cost as invoiced
Overnight Deliveries (such as UPS, Federal Express, Express Mail, DHL)	At cost as invoiced
Postage	At cost
Telephone	At cost as invoiced
Telecopier	\$0.75(local),\$1.50(domestic),\$2.25(international)
Travel and Lodging	
Hotel Accommodations	Not to exceed \$300.00/night
Air Fare	Not to exceed coach class
Cab Fare	At cost as invoiced
Meals	Not to exceed \$60.00/day

No reimbursement shall be made for any administrative, surcharge, or other overhead recovery costs. Reimbursement shall not be made for the purchase or lease of office space, furnishings, equipment, or software unless approved in advance by the State. Upon conclusion of this agreement, unless other arrangements are approved by the Deputy Attorney General, the ownership of any furnishings, equipment, or software purchased under this contract shall revert back to the State and those items returned to the State.

Contractor will not bill the State for time in travel status, except for that time during which the individual has performed work on the State's matter while in travel status; in that situation the Contractor shall adhere to billing rates provided in Article 1.2 of this appendix.

The Contractor shall, when possible, utilize moderately priced hotels comparable to those used by the State employees. Reimbursement for meals shall follow the State of Alaska Administrative Manual Per Diem guidelines (sliding scale depending upon travel location). No reimbursement shall be made for alcoholic beverages, entertainment, or what might otherwise be considered normal living expenses.

Reimbursement for any out-of-pocket expenses not covered under the terms listed above will only be made if such expenditures are pre-authorized by the State.

Article 1.4 Unless amended in writing, the total sum expended under this contract shall not exceed \$_____

including out-of-pocket expenses where applicable.

Article 2 Billing Procedures

Article 2.1 For services covered under Appendix C, Article 1.1, the Contractor agrees to bill the State immediately after issuance of debt. For services covered under Appendix C, Article 1.2, Contractor agrees to bill the State at least monthly.

Article 2.2 The Contractor's billing statements shall indicate which Article of consideration the Contractor is seeking compensation for. For payment of services related to specific debt issuance under Article 1.1 above, the billing statement shall clearly identify the name, type, and amount of the bonds issued.

For services to be reimbursed under the costs and hourly fee provisions of Article 1.2 above, the Contractor's billing statements shall be itemized to show the time spent, a task description and the date that tasks were performed by the name and hourly rate of the individual performing the work. Billing statements shall also include an itemization of all costs and copies of invoices for travel and other out-of-pocket expenses.

Article 2.3 As applicable, monthly submission of bills shall include a contractor billing summary that lists the original estimated cost of completion as well as the monthly and cumulative total of fees and expenses incurred for each assignment made under this agreement. In addition, a separate billing summary shall be submitted for each substantive assignment (i.e. those assignments estimated to take more than twenty-five hours of work to complete) for which a workplan and budget are required under Appendix C, Article 2.4. With regard to the substantive assignments, the billing summaries should list each major task identified in the workplan for that assignment and explain any variances from amounts budgeted for each task.

The State reserves the right to withhold payment of fees and expenses pending satisfactory explanation and authorization to exceed original cost estimates or an approved task budget. As a standard cost control practice, the State may conduct an audit of time and cost records of the Contractor, its employees and expert witness subcontractors. Any such audit may be conducted at the Contractor's offices or a place mutually agreed to by the Contractor and the State.

Article 2.4 Billing rates are capped for five years from date of execution of this Contract. If after that period the Contractor wishes to seek an adjustment to its billing rates, the Contractor shall:

- a. notify the State in writing sixty (60) days before activating any change in billing rates;
- b. specify the impact the rate adjustment would have on the existing workplan and budget; and
- c. limit the change in any individual billing rate to an amount that does not exceed the percentage increase in the Consumer Price Index (CPI) for the locale from which the services are being rendered, or obtain the approval of the State for any increase above the CPI.

If billing rates are increased under this Article, the new rates are capped for one year following the date of the increase.