



February 12, 2014

ATTENTION: Prospective Contractors

SUBJECT: ASP 10-14-031 Request for Support to Develop Mine Reclamation and Closure Cost Estimation Guidelines

PURPOSE

The Office of Project Management & Permitting (OPMP), Department of Natural Resources (DNR), is soliciting proposals for professional services to develop Mine Closure and Reclamation Cost Estimation Guidelines (guidelines) using the attached DRAFT Mine Closure and Reclamation Cost Estimation Guidelines (DRAFT Guidelines) as the starting point. The guidelines will provide guidance to mining project proponents for calculating direct and indirect costs associated with the reclamation, closure and post-closure activities for mining projects in Alaska. In this solicitation we are seeking proposals to develop these DRAFT Guidelines further, so that they are accurate, up-to-date and concise such that they can be more formally considered by the State and distributed to mining project proponents for their use in developing reclamation and closure cost estimates.

BACKGROUND

The State developed a draft Mine Closure and Reclamation Cost Estimation Guidelines document in 2009 and has subsequently made minor revisions. The DRAFT Guidelines are a collaboration between the Departments of Natural Resources (DNR) and Environmental Conservation (DEC). The current DRAFT Guidelines document is 26 pages in length. The DRAFT Guidelines are designed to describe, in general terms, the information that is needed by the State reviewers that, if provided, would normally be sufficient for regulators to review and assure that the cost estimate is sufficient to meet the reclamation and closure requirements and perform the required activities during the mine reclamation, closure and post closure periods. The DRAFT Guidelines also describe specific assumptions that need to be incorporated into the cost estimate regarding scope, timing, availability of equipment and management of the activities.

This Scope of Work (SOW) is designed to improve the DRAFT Guidelines, through a process that includes reorganizing the Direct costs and re-evaluating the basis for the ranges for the Indirect costs and providing linkage to the SRCE model. DNR and DEC recognize the need for such a guidance in order to promote consistent, efficient, technically sound, and defensible reviews and authorizations as well as provide a level of certainty and consistency to the regulated mining industry.

The State intends to award this work in Q1 2014 and have it completed approximately 5 months after contract award and no later than September 1, 2014.

SCOPE OF WORK

Overview

The Scope of Work (SOW) is divided into four separate Tasks, each with its own deliverable. Task 1 is the kickoff meeting with the Contractor-provided deliverable being the meeting notes which will be used as the basis of understanding between the Contractor and the State. Task 2 is the review of the DRAFT Guidelines and revision with the Contractor-provided deliverable being a revised guidelines document. Task 3 is the review and recommendation of Indirect cost analysis with the Contractor-provided deliverable being a final report of recommendations. Task 4 is a Contractor-facilitated meeting with State personnel ending with the deliverable of meeting notes. The Contractor should be aware that the project schedule has Task 2 and Task 3 to be performed in parallel and that deliverable due dates have the possibility of coinciding.

The DRAFT Guidelines are divided into Direct, Indirect costs and Other costs categories. While DNR and DEC believes the DRAFT Guidelines adequately describe the Direct and Other costs, Task 2 of this solicitation is to have the selected Contractor review the DRAFT Guidelines for consistency with applicable State of Alaska (State) statute and regulations, compare them generally with guidelines available for other western states, and reorganize them where warranted to improve their ease of use and clarity. Also as part of Task 2, the State would like the Contractor to expand the DRAFT Guidance to address the use of the Standard Reclamation Cost Estimator (SRCE) model. The DRAFT Guidelines do not contemplate the use of the SRCE and would benefit from the inclusion of general information about how the DRAFT Guidelines can be implemented for those using the SRCE model to develop their reclamation and closure cost estimate.

The State would like to expand the guidance for the seven categories of Indirect costs (Task 3). The lack of clarity for Indirect costs has made the process of reviewing and approving cost estimates from project proponents difficult. In addition, the basis for the range of Indirect costs requires validation. The purpose of Task 3 is to evaluate the validity of the ranges for each category of Indirect costs in the DRAFT Guidelines, develop recommendations for changes, if warranted, and develop narratives that describe the variables that affect each range.

Task 1 - Kickoff Meeting

Description:

The meeting will be web-based and will include a discussion of the tasks described under this scope of work, the expectations and procedures for communication between the State and the successful Contractor, and timelines and milestones for completing the work.

Requirements:

Upon obtaining notice to proceed, the Contractor will participate in a kickoff meeting via teleconference or by web conference to ensure a mutual understanding of the SOW and mutual expectations. In preparation for the kickoff meeting, all members of the Contractor's team should have reviewed the SOW, the DRAFT

Guidelines and all the references listed in this SOW. The Contractor should be prepared in advance of the kickoff meeting with identified issues that require further clarification to be discussed during this meeting.

Tentative Kickoff Meeting Agenda (approximately 2 hours)

- a) Introductions
- b) Review SOW (DNR)
- c) Discussion of the SOW Deliverable (DNR/DEC & Contractor)
- d) Questions & Answers (DNR/DEC & Contractor)

Deliverables:

- 1) Meeting with DNR/DEC (web/teleconference) organized by the Contractor
- 2) Provide meeting notes compiled by the Contractor to DNR

Task 2 – Develop Updated Guidelines

Description:

The purpose of this task is to review the DRAFT Mine Closure and Reclamation Cost Estimation Guidelines for consistency with applicable State of Alaska (State) statute and regulations. In addition, the Contractor will make editorial changes, approved by the State to improve the clarity and organization of the DRAFT Guidelines and insert verbiage that provides hints on the application of the DRAFT Guidelines to the SRCE model. This will be an iterative process where the State will review and provide comments to the draft document before proceeding to the next subtask.

Requirements:

The Contractor will complete the following Subtasks under this Task.

Subtask A – Initial Review

Contractor will perform an initial review of the DRAFT Guidelines and present a written initial assessment of the organization and clarity of the DRAFT Guidelines with suggestions for improving the DRAFT Guidelines. State will provide a written response to the written suggestions from the Contractor.

Subtask B – Generate 1st Update

Contractor will incorporate State responses to written suggestions from Subtask A into the 1st Update of the DRAFT Guidelines. In addition the Contractor will develop and incorporate additional text in the 1st update, where appropriate, that provides basic directions about “how and where” the specific DRAFT Guidelines are addressed in the SRCE model. These directions should provide HINTS for users who are implementing the State guidelines while using the SRCE model. It is not the intention to provide detailed instructions on the use of the SRCE model. The Contractor will submit the 1st Update to the State for review and comment. State will review 1st update of the DRAFT Guidelines and submit comments on the 1st Update of the DRAFT Guidelines to the Contractor.

Subtask C – Generate 2nd Update

Contractor will incorporate State comments on the 1st update onto a 2nd Update of the DRAFT Guidelines and submit 2nd Update of the DRAFT Guidelines to the State for review and comment. State will review the 2nd Update and submit written comments back to the Contractor.

Subtask D – Generate 3rd Update

Contractor will incorporate State comments on the 2nd update onto a 3rd update of the DRAFT Guidelines and submit 3rd update of the DRAFT Guidelines to the State.

Deliverables:

- Written initial assessment submitted by Contractor to State
- Written comments on initial assessment submitted by State to Contractor
- 1st Update of the DRAFT Guidelines submitted by Contractor to State
- Written comments on 1st Update submitted by State to Contractor
- 2nd Update to the DRAFT Guidelines submitted by Contractor to State
- Written comments on 2nd Update submitted by State to Contractor
- 3rd Update to the DRAFT Guidelines

Task 3 – Evaluate Indirect Costs

Description:

The DRAFT Guidelines provide ranges (calculated as a percentage of the Direct costs) for seven categories of Indirect costs, including: Profit, Overhead, Performance and Payment Bonds, Liability Insurance, Contract Administration, Engineering Redesign and Contingency. The purpose of Task 3 is to evaluate the appropriateness of the ranges in the DRAFT Guidelines, develop recommendations for changes, if warranted, and develop narratives that describe the variables that affect each range. The results of this Task will be documented in a Final Report on Indirect Costs as described in Subtask C.

Requirements:

The Contractor will complete the following Subtasks under this Task.

Subtask A – Evaluate Indirect Cost Range Basis in DRAFT Guidelines/USFS Training Guide and Compare with Recent Projects to Make Recommendations for Changes to Ranges of Indirect Costs.

The Contractor is to assess whether the Indirect cost ranges in the DRAFT Guidelines are valid in terms of being current and whether they are appropriate for Alaska mining projects. The ranges (in Draft Guidelines) are adopted from the Training Guide for Reclamation Bond Estimation and Administration for Mineral Plans of Operation authorized and administered under 36 CFR 228A USDA – Forest Service, APRIL 2004. The Contractor will research the basis for the USFS ranges and assess whether they are applicable and appropriate to Alaska and whether they reflect current Indirect costs. Concomitantly the Contractor will research available data on other mining or civil projects that the Contractor can justify as being analogous to Alaska mine reclamation and closure activities and determine the Indirect costs for these projects for the seven categories of Indirect costs included in the DRAFT Guidelines. The Contractor will make recommendations for changes to the ranges of Indirect

costs in the DRAFT Guidelines wherever warranted by the review and assessment described above and include the assessment and any recommendations in the Final Report on Indirect Costs in Subtask C.

Subtask B – Develop Narratives for Each Indirect Cost Category that Describes the Variables that Affect Indirect Cost Ranges

The DRAFT Guidelines presently offer a range of acceptable values (expressed as a percentage of Direct costs) for each of the seven categories of Indirect costs. Guideline users have to select (and justify) a single value (within the range) for each category of Indirect costs when they estimate their reclamation and closure costs. In Subtask B the Contractor will develop a narrative for each category of Indirect costs that guide the user by describing the specific project variables that typically have the largest effect on each category of Indirect costs. The narratives should be developed knowing that they will be used to provide guidance for the DRAFT Guideline user, and serve as a basis for reviewing and accepting the Indirect costs proposed by project proponents. The final narratives will be included in the final report in Task 4.

Subtask C – Prepare Report on Indirect Costs

The Contractor will documents the methodology, supporting data, recommendations for changes to Indirect ranges and narratives from Subtasks A and B into the Final Report on Indirect Costs.

The report will incorporate the following major headings at a minimum.

Executive Summary

Introduction

Assessment of Basis of DRAFT Guideline/USFS Indirect Cost Ranges

Indirect Costs Associated with Recent Mining Projects

Recommendations for Changes to Indirect Cost Ranges

Description and Discussion of General Variables that Affect Indirect Costs

Description and Discussion of Alaska-Specific Variables that Affect Indirect Costs

Recommended Narratives for Each of Seven Categories of Indirect Costs

Summary and Conclusions

Deliverables:

The Contractor will submit a draft of the Report on Indirect Costs to DNR

DNR will submit comments on draft Report on Indirect Costs to Contractor

The Contractor will submit the Final Report on Indirect Costs to DNR

Task 4 – Facilitate Workshop in Alaska

Description:

The purpose of this Task is to have the Contractor facilitate a 0.5-day workshop about Indirect costs. The Workshop will be held in Anchorage, Alaska

Requirements:

The Contractor will facilitate a 4-hour workshop (in-person) with State agency participants in Alaska.

The draft Agenda for the Workshop is as follows:

- Introductions (DNR/DEC/Contractor)
- Presentation on Task 3, Subtasks A & B (Contractor)
- Final recommendations for changes to the ranges of Indirect costs in the DRAFT Guidance document (Contractor)
- Discussion of recommendations and alternative approaches to Indirect cost ranges, i.e. those suggested by DEC related to maturity of mine, other (DNR/DEC/Contractor)
- Closing Comments (DNR/DEC/Contractor)

Deliverables:

- Contractor will organize handouts, present PowerPoint(s) and otherwise Facilitate Workshop
- Contractor will submit electronic copy of handouts and PowerPoint to DNR in advance of Workshop
- DNR will provide meeting facilities in Alaska and audio visual equipment
- DNR will be responsible for generating meeting notes

GENERAL PROJECT STIPULATIONS

Project Communication Plan: Communication and coordination is anticipated to be essential during the project. Jack DiMarchi shall be the DNR Project Manager and the point of contact for day to day communications and technical assistance. Marlys Hagen is the DNR Contract Manager. *Any conflicting technical requirements between the referenced documents and/or the statement of work will be resolved in negotiation with the DNR Project Manager and Contract Manager. Deviations to this Scope of Work requiring a Scope of Work Amendment will require DNR Project Manager approval prior to finalization.*

Project Management shall be provided by:

Jack DiMarchi, CPG
DNR, Office of Project Management and Permitting
3700 Airport Way
Fairbanks, AK 99709
Phone: (907) 451-2806 Fax: (907) 451-2703
Email: Jack.DiMarchi@alaska.gov

Contract Management shall be provided by:

Marlys Hagen
Marlys Hagen, C.P.M., Procurement Officer
Department of Natural Resources
Support Services
550 W 7th Ave, Suite 1230
Anchorage, AK 99501
Phone: 907-269-8666
Fax: 907-269-8909
Email: marlys.hagen@alaska.gov

The following paragraphs describe the stipulations for the project.

A. *DNR will:*

- respond to Contractor questions during review and drafting of comments, and
- review the comments prepared by the Contractor and request clarifications in a timely manner.

B. *The contractor will:*

- use experienced staff that has accumulated the expertise necessary to complete the objectives of this SOW,
- guarantee by submission of a proposal that the experts indicated in the proposal will be committed to the project for the duration of the task.

C. Meetings may be held by teleconference and web-based communication which will be arranged by the Contractor.

D. All invoices must be received by the project end date of this SOW. Final invoice(s) must be received by the Project Manager no later than thirty (30) days following contract expiration. Invoice(s) for services through June 30th must be received no later than thirty (30) days following the end of the fiscal year.

DELIVERABLES

All deliverables for this project will be in Microsoft Office 2013 Word, Excel or PowerPoint electronic format. All deliverables will be coordinated with or submitted to the DNR Project Manager.

PROJECT SCHEDULE

The project schedule is shown in the table below. Dates are subject to change subject to the actual issuance date of the Notice to Proceed. Other deadlines may be adjusted (earlier or later) according to the duration necessary to complete the next step. Adjustments will be coordinated and approved with the DNR Project Manager.

Project Component	Completion Date
RFP Issuance	2/15/2014
Technical proposal/cost estimate submitted	3/3/2014
Notice To Proceed (NTP) Issued (estimated)	3/10/2014
Task 1 - Kickoff Meeting	
Deliverable 1 – Meet with DNR (web/teleconference)	NTP + 7 days
Deliverable 2 – Meeting notes	KO Meeting + 3 days
Task 2 – Guideline Development	
Deliverable 1 – Initial Assessment DRAFT Guidelines	NTP + 14 days
Deliverable 2 – DNR comments on Initial Review to Contractor	NTP + 21 days
Deliverable 3 – 1 st Update to DNR	NTP + 35 days
Deliverable 4 – DNR comments on 1 st Update to Contractor	NTP + 49 days
2 nd Update to DNR	NTP + 63 days
Deliverable 5 – DNR comments on 2 nd Update to Contractor	NTP + 77 days
Deliverable 6 – 3 rd Update to DNR	NTP + 148 days
Tasks 3, Indirect Cost Assessment	

Project Component	Completion Date
Deliverable 7 – Draft Report on Indirect Costs (Subtask B) to DNR	NTP + 77 days
Deliverable 8 – DNR comments on draft report to Contractor	NTP + 91 days
Deliverable 9 – Final Report on Indirect Costs to DNR	NTP + 148 days
Task 4 - Workshop on Indirect Costs	
Deliverable 10 – Facilitate Workshop, Submit PowerPoint, Handouts	NTP + 162 days
Project End	Sep 15, 2014

PROPOSAL FORMAT

Proposals must include the following information:

1. A cover letter containing your complete name and address, your Alaska business license number, and a statement regarding qualifications as an *Alaskan Bidder*, if appropriate.
2. AS 36.30.170 describes an *Alaska Bidder* as one who:
 - a. Holds a current Alaska business license,
 - b. Submits a proposal for services under the name as appearing on the current Alaska business license,
 - c. Has maintained a place of business within the state staffed by the Offeror or an employee of the Offerors for a period of six months immediately preceding the date of the RFP,
 - d. Is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, or is a partnership and all partners are residents of the state, and,
 - e. If a joint venture is composed entirely of ventures that qualify under (a) through(d) of this subsection.
3. A statement regarding whether the Offeror qualifies for the Alaska Veterans' Preference. The preference will be given to Offerors who qualify as Alaska Bidders and are:
 - a. sole proprietorship owned by an Alaska veteran;
 - b. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
 - c. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
 - d. corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.
4. Discussion of your understanding of the work requested and methods you propose to accomplish the tasks defined in this RFP. At a minimum the proposal shall:
 - a. Include a statement of understanding describing the Offeror's understanding of each of the 7 tasks described under Scope of Work in this RFP;
 - b. Included a work schedule and timeline;
 - c. Discuss the level of involvement you anticipate for DNR personnel;
 - d. Describe potential problems with performing this project;
5. Provide a brief description of your firm and resumes for key participants showing experience and qualifications in areas similar to those requested in this RFP. Please describe the key participant(s)': experience with: (1) Developing or reviewing Reclamation & Closure Cost Guidelines for other States, public agencies or mining companies, (2) experience working the SRCE model (3) Managing or implementing closure or remedial activities at mining sites in Alaska or other northern locations, (4) previous experience developing or using the Training Guide for Reclamation Bond Estimation and

Administration for Mineral Plans of Operation authorized and administered under 36 CFR 228A USDA – Forest Service , APRIL 2004. Also please provide a statement that the key participants are available and committed to performing the work as outlined in the proposal.

6. Provide a cost proposal with a detailed breakdown of hours and costs for each task as proposed in your offer and the fixed, not to exceed amount, for the contract including travel expenses. Be prepared to discuss any other issues that may impact costs or actions the Offeror would take to assure the project is completed within the available funds for this project. **The State will provide the Workshop room.** The Contractor will provide Workshop materials in electronic format, and one hardcopy for each participant. If cost is based on number of participants please give proposals based on 12 participants and identify cost per additional participant.

EVALUATION CRITERIA

Proposals will be evaluated based on the applicant's qualifications and experience (40%), understanding of the project and proposed methodology (10%), cost (40%) and Alaska Offeror Preference (10%). State staff will evaluate the proposals. Fixed cost rates and schedule may be subject to negotiation

PROPOSAL DUE DATE

Proposals must be received **4:00 p.m. Alaska Standard Time, March 3, 2014.** Proposals may be sent by mail, fax, or email to the address below.

Please direct proposals and questions to:

Marlys Hagen, C.P.M., Procurement Officer
Department of Natural Resources
Support Services
550 W 7th Ave, Suite 1230
Anchorage, AK 99501
Phone: 907-269-8666
Fax: 907-269-8909
Email: marlys.hagen@alaska.gov

Sincerely,

Marlys Hagen, C.P.M., CPPB, CPPO

Marlys Hagen, C.P.M., CPPB, CPPO
Procurement Officer
Email: marlys.hagen@alaska.gov

Encl: Attachment A – Standard Agreement Form/Appendices A and B

Attachment A
STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number	2. ASPS Number	3. Financial Coding	4. Agency Assigned Encumbrance Number
5. Vendor Number	6. Project/Case Number	7. Alaska Business License Number	

This contract is between the State of Alaska,

8. Department of	Division	hereafter the State, and		
9. Contractor				
hereafter the Contractor				
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 14, 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	Attention: Division of
Mailing Address	Attention:

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 alterations 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 Project Director		Typed or Printed Name	
Typed or Printed Name of Project Director		Title	
Title			

NOTICE: This contract has no effect until signed by the head of contracting agency 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 a signing this contract.

Article 2. Inspection and Reports.

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

Article 3. Disputes.

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

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, 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, 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 the contract.

Article 5. Termination.

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

Article 6. No Assignment or Delegation.

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

Article 7. No Additional Work or Material.

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

Article 8. Independent Contractor.

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

Article 9. Payment of Taxes.

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

Article 10. Ownership of Documents.

All designs, 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. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law.

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

Article 12. Conflicting Provisions.

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

Article 13. Officials Not to Benefit.

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

Article 14. Covenant Against Contingent Fees.

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, 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.

APPENDIX B¹

INDEMNITY AND INSURANCE

Article 1. Indemnification

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

Article 2. Insurance

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

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. 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 \$300,000.00 combined single limit per occurrence.

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 \$300,000.00 combined single limit per occurrence.

ATTACHMENTS

1. DRAFT Reclamation and Closure Guidelines February 2014
2. Table of Indirect Costs at existing Alaska mines and in guidance

REFERENCES

USDA, 20014, Training Guide for Reclamation Bond Estimation and Administration for Mineral Plans of Operation authorized and administered under 36 CFR 228A USDA – Forest Service, APRIL 2004. http://www.fs.fed.us/geology/bond_guide_042004.pdf

The Handbook for Calculation of Reclamation Bond Amounts, U.S. Department of the Interior, Office of Surface Mining, 2000 <http://www.osmre.gov/mwg-internal/de5fs23hu73ds/progress?id=aRYXBS/kXH>

Surface Management Handbook BLM Handbook H3809-1
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Alaska Statutes that apply to mine closure and reclamation
Title 27, Chapter 19 Reclamation
Title 46, Chapter 3 100 Waste Management and Disposal Discharge Authorization
Title 46, Chapter 3 100 (f) Water pollution control and waste disposal
Title 46.17 - Alaska Dam Safety Act

Alaska Regulations that apply to mine closure and reclamation
11 AAC 97.200 - .450
18 AAC 60.455 and .265
18 AAC 15.090(3)