

**PROFESSIONAL SERVICES CONTRACT BETWEEN**

**STATE OF ALASKA  
ALASKA STATE LEGISLATURE  
LEGISLATIVE BUDGET & AUDIT COMMITTEE  
State Capitol, Room 514  
Juneau, AK 99801**

**AND**

**Manley & Brautigam, P. C.  
845 K Street  
Anchorage, Alaska  
99501**

**CONTRACT AMOUNT: Not to Exceed \$35,000  
(Including reasonable travel expenses)**

The parties to this contract (hereafter referred to as "Contract"), made and entered in to on the date the Legislative Auditor or her designee signs the Contract, are the State of Alaska, Alaska State Legislature, Legislative Budget & Audit Committee, whose address is 120 4<sup>th</sup> Street, State Capitol, Room 3, Juneau, AK 99801-1182, (hereinafter referred to as the "Committee"), and Manley & Brautigam, P.C., a professional corporation, whose address is 845 K Street, Anchorage, Alaska 99501, (hereinafter referred to as the "Consultant").

**THE PURPOSE OF THIS CONTRACT** is to provide the committee with professional legal review and consulting services as described below. This contract is a result of the Legislative Budget and Audit Request for Price Quote dated February 13, 2014.

**IT IS THEREFORE MUTUALLY AGREED THAT:**

**CLAUSE I - STATEMENT OF SCOPE OF WORK**

- (A) In accordance with (B) of this Clause I, the Consultant shall produce a report reviewing the Governor of Alaska's gas pipeline and liquefied natural gas (LNG) proposal, including:
- a. the Governor's Memorandum of Understanding (MOU);
  - b. the December 12, 2013 Heads of Agreement (HOA) between TransCanada Alaska Company LLC, Foothills Pipe Lines LTD, TransCanda Alaska Development Inc., and the State of Alaska; and
  - c. pending legislation (Senate Bill 138 and House Bill 277).

The review of the Governor's proposal shall give consideration to the State's past gas pipeline commitments.

- (B) The Consultant shall analyze the documents listed in (A) of this Clause I and evaluate potential corporate tax implications and antitrust issues associated with the Governor's proposal. The Consultant shall provide the legislature with their findings in a report by March 21, 2014 and be available to present their findings to legislative committees along with meeting with legislators in private sessions between March 21, 2014 and April 20, 2014.**
- (C) In addition, to the tasks required under paragraphs (A) and (B) of this Clause I, the Consultant shall, at the request of the Chair of the Committee, perform additional legal analysis on gas pipeline and LNG topics.**
- (D) The Committee Chair must give written approval prior to any work being performed by the Consultant under (C) of this Clause I of the Contract.**

## **CLAUSE II - PERIOD AND DATES OF PERFORMANCE**

- (A) The period of performance under this Contract shall be from the date this contract is signed by the Legislative Auditor or her designee through April 20, 2014, unless terminated earlier as provided herein, or extended in writing and by mutual agreement of the parties. All reports and analysis and any necessary reviews and other summary writing required shall be completed and delivered to the Committee Chair by March 21, 2014 unless otherwise directed by the Project Director or Committee Chair.**
- (B) This Contract may be terminated by either party upon written notice to the other. If this Contract is terminated by the Committee and the termination is not based on breach by the Consultant, the Committee shall compensate the Consultant, as described below, for services provided under the terms of this Contract up to the date the termination notice is delivered. Upon termination, the Consultant shall provide within 10 days, a copy of all documents, reports, material, and other items required to be delivered to the Project Director by Clause XIV (Ownership and Reuse of Documents) of this Contract. In the event of a termination not based on a breach by the Consultant, the Consultant shall be compensated for services performed at the hourly rate for the hours for which the Consultant has not been paid prior to the Contract termination. The hourly rate is specified in Clause III – Compensation.**

### **CLAUSE III - COMPENSATION**

- (A) The Consultant shall perform the work specified in this Contract under the following rate structure:

<u>Staff Position</u>	<u>Hourly Rate</u>
Charles Schuetze	\$350
Todd Miller	\$500
Donald Baker	\$500

Other employees of the Consultant performing work specified in the Contract shall bill their services at a rate not higher than the standard billable rate. The Consultant may not bill the Committee for the work of a subcontractor at a rate higher than the subcontractor's standard billable rate.

- (B) The Consultant shall be paid at a daily rate of \$2,000 per staff member listed by name in Clause III (A), for testifying at Legislative Committee hearings and meeting with Legislators and Legislative staff. The Consultant will be paid at half the daily rate per staff member for days spent traveling to/from Juneau. The Consultant shall not bill the Committee for both an hourly rate under Clause III (A) and a daily rate under this Clause III (B) per staff member in a single day.
- (C) In addition to the compensation in Clauses III (A) and (B), reasonable travel expenses shall be reimbursed by the Committee. Travel expenses include coach airfare, lodging, per diem (calculated using the federally allowable rate), taxi or rental car, and luggage fees. No other travel expenses shall be reimbursed. Receipts or other proof of travel expenses shall be provided to the Project Director for reimbursement.
- (D) Payments for hourly work are contingent on certification from the Project Director that the Committee has received adequate analysis based on the terms outlined in this contract.
- (E) If a payment is not made within 90 days after the Committee has received a billing, the Committee shall pay interest on the unpaid balance of the billing at the rate of 1.5 percent per month from, and including, the 91st day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the Consultant.
- (F) Total payments under this Contract, may not exceed \$35,000 for services and for travel expenses.

### **CLAUSE IV - EXPENSES AND DUPLICATION**

- (A) Except as may be otherwise provided by Clause III, the office space, equipment, supplies, clerical support and other expenses that are necessary for the Consultant to carry out the Consultant's obligations under this Contract shall be supplied and paid for by the Consultant at no cost to the Committee.

- (B) Duplicates of any material or other item produced under this Contract may be produced by the Committee; the office space, equipment, supplies, clerical support and other expenses required for the duplication shall be supplied by the Committee.

#### **CLAUSE V – ASSIGNMENT OR TRANSFER**

Assignment or transfer of the Contract entered into is subject to Sec. 160 of the Procurement Procedures of the Alaska State Legislature. Nothing in this contract prohibits the contractor from subcontracting work provided under this contract.

#### **CLAUSE VI – WORKERS' COMPENSATION**

During the life of this Contract, the Consultant shall, in accordance with AS 23.30.045(d), provide and maintain workers' compensation insurance. The Consultant shall require any subcontractor to provide and maintain workers' compensation insurance for the subcontractor's employees. Consultant shall provide the Committee, upon request, with written proof of the coverage required by this clause.

#### **CLAUSE VII – FEDERAL AND STATE LAWS**

In addition to the other requirements of this Contract, the Consultant must comply with all applicable Federal and State labor, wage/hour, safety and other laws which have a bearing on the Contract, and must have all licenses and permits required by the Federal government, State and/or municipality for performance of the Contract covered by this Contract, including, but not limited to, a valid Alaska business license and any necessary applicable professional licenses. The Consultant must pay all fees associated with the licenses and permits required for performance of the Contract. The Consultant shall pay all Federal, State, and local taxes incurred by the Consultant, in the performance of the contract. The Consultant certification that taxes have been paid may be verified before final payment by the Committee.

#### **CLAUSE VIII – HUMAN TRAFFICKING**

**Human Trafficking:** By the Consultant's signature on this contract, the Consultant certifies that the Consultant is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

In addition, if the Consultant conducts business in, but is not headquartered in, a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in the Persons Report, a certified copy of the Consultant's policy against human trafficking must be submitted to the Committee.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/rls/tiprpt>.

If the Consultant is or becomes headquartered in a Tier 3 country, or fails to comply with this clause ("Human Trafficking"), the Committee may terminate the contract.

### **CLAUSE IX – VENUE**

In the event that the parties to the Contract find it necessary to litigate the terms of the Contract, venue shall be State of Alaska, First Judicial District, at Juneau, and the Contract shall be interpreted according to the laws of Alaska.

### **CLAUSE X – BINDING ON SUCCESSORS**

Subject to Clause V (Assignment or Transfer) of this Contract, this Contract and all the covenants, provisions and conditions contained in the Contract shall inure to the benefit of and be binding upon the successors and assigns of the Consultant and the Committee.

### **CLAUSE XI – INDEMNIFICATION**

The Consultant shall indemnify, hold harmless, and defend the Committee, and the Committee's officers, agents, and employees from liability for any claim, including, but not limited to, any damages, costs, and attorney fees arising from the claim, arising from Consultant's negligence or intentional misconduct in the performance of Consultant's obligations under this Contract.

### **CLAUSE XII – COVERAGE UNDER THE ETHICS LAW**

The Consultant, all staff and all subcontractors working under the Consultant who are performing work under this Contract, are subject to the provisions of AS 24.60 (Legislative Ethics). Select Committee on Legislative Ethics Advisory Opinion 99-01 concludes that "any contractors who are paid through the state payroll system, contractors (or those designated within a contracting firm or company) with the Ethics Committee and those services or professional services contractors with legislative Contracts over \$5,000, who will incur more than incidental use of state resources or who either contract for legislative policy related services or who are designated to represent the Legislature in a policy-related capacity, fall within the legislative employee definition and are therefore subject to the legislative ethics code."

AS 24.60 (Legislative Ethics) requires contractors subject to the law to undergo specified ethics training. The Consultant shall participate in the required training and submits the required certificate of compensation to the Project Director within thirty (30) days after the execution of this Contract. The Consultant may designate one person to participate in the training. Training modules will be made available to the Consultant through a web-based portal and all arrangements for access to such will be made through the Project Director.

### **CLAUSE XIII – RECORDS: AUDIT**

In addition to any other records required by this Contract, the Consultant shall accurately maintain detailed time records that state the date of the work, break down the time in quarters of an hour, describe in detail the work done during the quarter of an hour, and identify which individual did the work. The Consultant shall also keep any other records that are required by the Project Director. The records required by this Contract are subject to inspection by the Committee or the Project Director at all reasonable times.

### **CLAUSE XIV – OWNERSHIP AND REUSE OF DOCUMENTS**

- (A) All documents, reports, material, and other items generated as a consequence of work done under this Contract are the property of the Committee. To the extent the Consultant has any interest in the copyright for these items under the copyright laws of the United States, the Consultant transfers, by this Contract any and all interest the Consultant has in the copyright for these items to the Committee, and the Committee will be the owner of the copyright for these items. Upon completion of the work or termination of this Contract, the items shall be delivered to the Project Director. Notwithstanding the above provisions, this Clause XIV(A) does not give the committee proprietary rights to financial models or software developed under the Contract, nor will it prevent the Consultant from making publicly available work performed under this contract where such work has already been made publicly available by the Committee.
- (B) The Consultant warrants to the Committee that all software, information, data, or intellectual property used in the course of performing this Contract is being used by the Consultant with the authority, license, or permission of the owner.

### **CLAUSE XV - PROJECT DIRECTOR**

The Project Director is the person appointed by the Committee Chair. The Project Director shall be Laura Pierre. The Project Director is authorized to oversee and direct the activities of the Consultant under this Contract. The Project Director may be replaced by the Committee at any time, with notice to the Consultant.

### **CLAUSE XVI - AUTHORIZATION: CERTIFICATION**

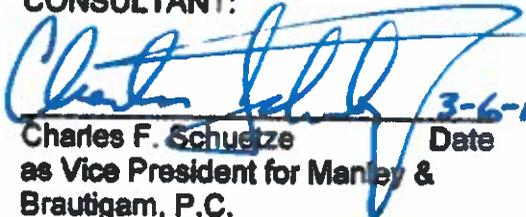
- (1) Execution of this Contract by the Legislative Auditor hereby constitutes a certification that funds are available in an appropriation to pay for work performed under this Contract through June 30, 2014.

**CLAUSE XVII - MODIFICATION AND PREVIOUS AGREEMENTS**

This contract contains all terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind either of the parties to this Contract. This Contract may not be modified unless in writing and signed by the parties to this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract on the dates indicated below:

CONSULTANT:

  
Charles F. Schuetze      3-6-14      Date  
as Vice President for Manley &  
Brautigam, P.C.  
Alaska Business License: 431189

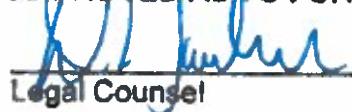
COMMITTEE:

  
Sen. Anna Fairclough, Chair      3-6-14      Date  
Legislative Budget & Audit Committee  
Procurement Officer

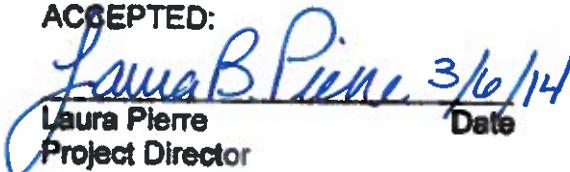
CERTIFYING AUTHORITY:

  
Kris Curtis      3/6/14      Date  
Legislative Auditor  
Legislative Budget & Audit Committee

APPROVED AS TO FORM:

  
Legal Counsel      3-5-14      Date

ACCEPTED:

  
Laura Pierre      3/6/14      Date  
Project Director