

**CONTRACT BETWEEN**

**STATE OF ALASKA  
LEGISLATIVE BUDGET & AUDIT COMMITTEE  
STATE CAPITOL  
JUNEAU, AK 99801**

**AND**

**Mr. Roger Marks  
An individual DBA Roger Marks  
12550 Toilsome Hill Drive  
Anchorage, AK 99516**

**\*\*Contract Amount – Not to Exceed \$250,000.00\*\***

The parties to this agreement are the State of Alaska, Legislative Budget & Audit Committee (LBA), hereinafter referred to as the “Committee,” and Mr. Roger Marks, an individual DBA Roger Marks, hereinafter referred to as the “Contractor.”

THE PURPOSE OF THIS CONTRACT is to provide the Committee with professional economic analysis and financial modeling services as described below.

IT IS THEREFORE MUTUALLY AGREED THAT:

**CLAUSE I — STATEMENT OF WORK**

The Contractor shall provide background knowledge and analytic resources to the Committee to analyze and evaluate proposed changes to the oil and gas fiscal regime of the State of Alaska.

The work to be completed by the Contractor may consist of the following:

- Review and analyze the current oil and gas tax regime
- Develop data from other tax structures and compare to the State’s
- Economic modeling of tax rates and structures in such a way as to present the analysis concisely
- Establishing the parameters for maximizing basin value to the State while maintaining sufficient incentives for exploration and development
- Presenting the data and model before legislative committee hearings

- Preparing a written report on the various alternatives and possibilities
- Analyze and model proposed tax structures and their effect on revenue projections and possible incentives or disincentives to exploration, development and production considering various prices, costs and other relevant variables
- Perform other related duties as assigned.

The Contractor's primary contact person will be the Project Director.

For purposes of responsible contract management by the Committee Chair and the Project Director, the Committee Chair or Project Director must give written approval prior to work being performed by the Contractor that is a request from another Legislator or Legislative staff person that has been submitted to the Contractor, the Committee Chair, or the Project Director. All requests from other committee chairs for the Contractor to testify, or otherwise make himself available for participation in a committee hearing, must be approved in writing by the Committee Chair prior to such participation. A written record of these requests and their disposition will be maintained by the Project Director.

## **CLAUSE II — EFFECTIVE DATE AND DURATION OF CONTRACT**

The period of performance under this Contract shall be from the date all parties have signed the contract through January 31, 2015 unless terminated earlier as provided herein, or extended by mutual agreement of the parties. All reports and analysis shall be completed and any necessary reviews and other summary writing required by the Committee shall be completed and delivered to the Project Director by January 31, 2015.

Upon delivery of written notice to the Contractor, this contract may be terminated by the project director of Committee Chair with or without cause. To terminate, the Committee shall provide notice by e-mail or delivery of a hard copy to the Contractor, whichever method is selected in the sole discretion of the Committee. If this contract is so terminated and the termination is not based on a breach by the Contractor, the Committee shall compensate the Contractor for services provided under the terms of this contract up to the date the termination notice is delivered, provided the Contractor provides the Committee with a statement in writing containing a description of the services provided prior to contract termination, detailed time records for the services provided prior to contract termination, and a copy of all documents, reports, material, and other items required to be delivered to the project director by Clause VII (Ownership and Reuse of Documents).

## **CLAUSE III — PROJECT DIRECTOR**

The Project Director shall be Laura Pierre.

#### **CLAUSE IV — COMPENSATION AND METHOD OF PAYMENT**

- (a) For the work specified in this contract the Contractor shall be compensated at a rate of \$140.00 per hour.
- (b) The Contractor shall submit monthly billings for the work requested in Clause I of this contract. A billing must be approved by the Chair of the Committee before it is paid.
- (c) If a payment is not made within 90 days after the Committee has received a proper 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 Contractor.
- (d) The Contractor shall be reimbursed for direct expenses necessary to perform Contractor's work under this contract. The expenses shall be calculated at cost without markup. If the Project Director or Committee Chair requires the Contractor to travel outside of the Contractor's home base of operations, the Contractor will be reimbursed for reasonable travel expenses (transportation, lodging, and meal per diem based on the federal per diem rate) that are supported by receipts and that are approved by the Project Director.
- (e) Total payments, including payments of expenses under (d) of this clause, under this Contract may not exceed \$250,000.00.

#### **CLAUSE V – EXPENSES AND DUPLICATION**

- (a) Except as may be otherwise provided by Clause IV and (b) of this clause, the office space, equipment, supplies, clerical support and other expenses that are necessary for the Contractor to carry out the Contractor's obligations under this contract shall be supplied and paid by the Contractor at no cost to the Committee.
- (b) Duplicates of any material or other items produced under this contract may be produced by the Committee; the office space, equipment, supplies, clerical support, and other expenses required for duplication shall be supplied by the Committee.

#### **CLAUSE VI – RECORDS; AUDIT**

In addition to any other records required by this Contract, the Contractor 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 Contractor 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 VII – OWNERSHIP AND REUSE OF DOCUMENTS**

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 Contractor has any interest in the copyright for these items under the copyright laws of the United States, the Contractor transfers by this Contract any and all interest the Contractor 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.

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

The Contractor may be subject to the provisions of AS 24.60 (Legislative Ethics) as a legislative employee unless excluded from the definition of “legislative employee” under AS 24.60.990(a)(11). 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.”

#### **CLAUSE IX – INDEMNIFICATION**

The Contractor shall indemnify, save harmless, and defend the Committee and the Committee’s officers, agents, and employees from liability for any claim, including costs and attorney fees arising from the claim, arising from the Contractor’s performance of the Contractor’s obligations under this Contract.

#### **CLAUSE X – VENUE**

In the event that the parties to this Contract find it necessary to litigate a dispute under the Contract, venue shall be the State of Alaska, First Judicial District, at Juneau, and the Contract shall be interpreted according to the laws of Alaska. The Committee will not engage in arbitration to resolve issues.

#### **CLAUSE XI – WORKER’S COMPENSATION**

At the time this contract is executed, the Contractor is a sole proprietor and does not employ any employees. Should the Contractor hire employees, the Contractor shall, in accordance

with AS 23.30.045(d), provide and maintain workers' compensation insurance. Upon request, the Contractor shall provide the Committee with written proof of the coverage required by this clause.

#### **CLAUSE XII — ASSIGNMENT, TRANSFER, AND SUBCONTRACTING**

No assignment, transfer, or subcontracting of this Contract may be made unless in accordance with sec. 160 of the legislative Procurement Procedures.

#### **CLAUSE XIII – BINDING ON SUCCESSORS**

Subject to Clause XII (Assignment, Transfer, and Subcontracting) 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 Contractor and the Committee.

#### **CLAUSE XIV — CERTIFICATION**

Execution of this contract by the Committee Chair hereby constitutes a certification that funds are available in an appropriation to pay for work performed starting at the date the contract is signed by all parties and running through June 30, 2013. Availability of funds to pay for work performed from July 1, 2013 to January 31, 2015, is contingent upon appropriation of funds for the next fiscal years. If, in the judgment of the certifying authority of this contract, sufficient funds are not appropriated for a fiscal year, the contract will be terminated under Clause II or amended.

As required by Legislative procurement procedures, a majority of the members of the Legislative Budget and Audit Committee authorized this Contract, approved the exemption under Section 040 (a) (1), and approved a motion for the expenditure of funds for this purpose at its January 29, 2013 meeting. A copy of the justification for the exemption is attached as Exhibit A to this contract.

#### **CLAUSE XV – HUMAN TRAFFICKING**

In signing this Contract, the Contractor certifies that the Contractor is not headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report. 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>.

**CLAUSE XVI — MODIFICATIONS AND PREVIOUS AGREEMENTS**

This document 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 considered to exist or to bind either of the parties to this Contract. This contract may be amended by mutual agreement of the parties but any amendment must be in writing and signed by the parties.

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

CONTRACTOR

  
\_\_\_\_\_  
Mr. Roger Marks, Date  
Individual DBA Roger Marks  
Business License No: 924040

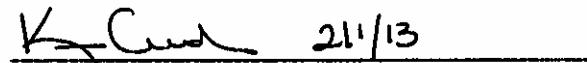
COMMITTEE

  
\_\_\_\_\_  
Senator Anna Fairclough Date  
Chair,  
Legislative Budget & Audit Committee

ACCEPTED:

  
\_\_\_\_\_  
Laura Pierre Date  
Project Director

CERTIFYING AUTHORITY

  
\_\_\_\_\_  
Kris Curtis Date  
Legislative Auditor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Legal Counsel Date