

**PROFESSIONAL SERVICES CONTRACT BETWEEN**

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

**AND**

**Mr. Nikolaos Tsafos  
An individual DBA Nikolaos Tsafos  
1330 New Hampshire Avenue, N.W.  
Washington, DC 20036**

**CONTRACT AMOUNT: Not to Exceed \$250,000.00  
(excluding \$13,000 for 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 Mr. Nikolaos Tsafos, an individual DBA Nikolaos Tsafos whose address is 1330 New Hampshire Avenue, N.W., Washington, DC 20036, (hereinafter referred to as the "Consultant.")

**THE PURPOSE OF THIS CONTRACT** is to provide the committee with professional fiscal analysis and consulting services as described below. The Second Session of the 28th Alaska State Legislature begins on January 21, 2014. It is the intention of the parties to this Contract for the Consultant to be available in Juneau throughout the regular 2014 legislative session, unless otherwise directed by the Project Director. The Consultant will be available, to provide advice to the Legislature on a daily basis, with the rigors of a 90-day session understood by the Consultant.

**IT IS THEREFORE MUTUALLY AGREED THAT:**

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

- (A) The Consultant will provide, as indicated in the Consultant's proposal entitled "Alaska Gas Commercialization Legislative Support" dated December 2013 (hereinafter referred to as the "Proposal"), the legislature with the professional consulting services contained in work-stream 1-5 of the Proposal. The Proposal is attached to and made a part of this Contract as Attachment #1. In the event of a conflict between this Contract and the Proposal, this Contract shall govern.
- (B) For purposes of responsible contract management by the Committee Chair and the Project Director, the Committee Chair must give written approval prior to any work being performed by the Consultant under the Contract.

## CLAUSE II - PERIOD AND DATES OF PERFORMANCE

- (A) The period of performance under this Contract shall be from January 1, 2014 through January 31, 2015, unless terminated earlier as provided herein, or extended 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 April 30, 2014 unless otherwise provided, or otherwise directed by the Project Director.
- (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 a 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 XIII (Ownership and Reuse of Documents) of this Contract as of the day of the termination. In the event of a termination not based on a breach by the Consultant, the Consultant shall be compensated at a daily rate prior to the Contract termination. The daily rate is equal to  $(\$50,000.00/\text{number of days in the month}) \times \text{days in the month prior to termination (including weekends)}$ .

## CLAUSE III - COMPENSATION

- (A) The Consultant shall perform the work specified in this Contract, including providing all labor, materials, and equipment required to complete the work, for a total contract price of \$250,000.00, excluding the expenses detailed in (C) of this clause.
- (B) Payments shall be made on a monthly basis in five increments as follows:
- |    |                   |     |
|----|-------------------|-----|
| 1) | January 1, 2014:  | 20% |
| 2) | February 1, 2014: | 20% |
| 3) | March 1, 2014:    | 20% |
| 4) | April 1, 2014:    | 20% |
| 5) | May 1, 2014:      | 20% |

Payments are subject to the following benchmarks:

- a) January 1, 2014 or the first business day thereafter payment shall be made as a result of the commencement of development of the financial model and executive summary for the legislative session, which shall be provided to the committee chair during the first two weeks of the legislative session.
- b) February 1, 2014 and March 1, 2014 payments shall be made as a result of development and delivery of work-streams 1 and 2 of the Proposal including the development of a detailed financial model for an LNG project by providing a baseline model, including a sensitivity analysis and a quantification of the impact on state finances. The financial model shall be provided to the Chair by February 15, 2014, and one or more training sessions on foundational concepts of gas and LNG will be held before March 1, 2014.

- c) April 1, 2014 and May 1, 2014 payments shall be made as a result of delivery of work-streams 3, 4, and 5 of the Proposal including advising the legislature through committee hearings and one-on-one meetings during the 2014 legislative session.

Payments are contingent on certification from the Project Director that the Committee has received adequate modeling, analysis, and testimony based on the terms outlined in the Proposal.

- (C) Travel, Accommodation, and Per Diem: On January 1, 2014, the Consultant shall be provided a single payment of \$13,000 for travel expenses, transportation, accommodation, and per diem for the 2014 regular legislative session. The Consultant will not be required to submit receipts to support expenses. Expenses exceeding \$13,000 over the term of this Contract shall not be reimbursed by the Committee.

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 91<sup>st</sup> day through the date payment is made. A payment is considered made on the date it is mailed or personally delivered to the Consultant.

- (D) Total payments under this Contract, may not exceed \$250,000 for services, and \$13,000 for expenses, unless authorized by the Committee. The Consultant will be responsible for all expenses exceeding \$13,000.

#### **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. The Consultant may subcontract work under this Contract, with written prior approval of the Project Director.

#### **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 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, and that, if this changes, the Consultant will submit a certified copy of the Consultant's policy against human trafficking 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/q/tip/rls/tiprpt>.

## **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 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 XIII – 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, clause XII(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 XIV - 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.

#### **CLAUSE XV - AUTHORIZATION; CERTIFICATION**


- (1) The section 040 exemption justification and execution of this Contract was authorized by a majority of the members of the Alaska Legislative Budget and Audit Committee at a meeting on November 25, 2013. The section 040 exemption justification is attached as Exhibit A to this Contract.
- (2) Execution of this Contract was authorized by a majority of the members of the Alaska Legislative Budget and Audit Committee at a meeting on November 25, 2013 and December 11, 2013.
- (3) 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. Availability of funds to pay for work performed from July 1, 2014 through June 30, 2015 is contingent upon appropriation of funds for the next fiscal year. If, in the judgment of the Certifying Authority of this contract, sufficient funds are not appropriated for the appropriate fiscal year, the contract will be terminated under Clause II (B) or amended.

**CLAUSE XVI - 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:

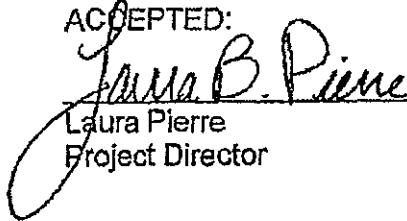
CONSULTANT:

 12/18/13  
Nikolaos Tsafos Date  
Tax Identification No.:  
Alaska Business License: 998215

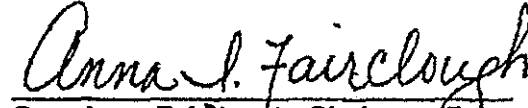
CERTIFYING AUTHORITY:

 12/18/13  
Kristin Curtis Date  
Legislative Auditor  
Legislative Budget & Audit Committee

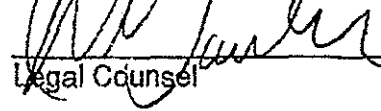
ACCEPTED:

 12/17/13  
Laura Pierre Date  
Project Director

COMMITTEE:

 12/17/2013  
Sen. Anna Fairclough, Chair Date  
Legislative Budget & Audit Committee  
Procurement Officer

APPROVED AS TO FORM:

 12-17-13  
Legal Counsel Date