

AMENDMENT #1

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

****Amended Contract Amount – Not to Exceed \$285,000.00****
(amount includes travel and all other expenses)

The parties to this contract amendment are the State of Alaska, Alaska State Legislature, Legislative Budget & Audit Committee, whose address is 120 4th 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 200036, (hereinafter referred to as the "Consultant.")

THE PURPOSE OF THIS AMENDMENT #1 is to amend the original contract entered into on December 18, 2013, the date the legislative auditor signed the contract, by the Consultant and the Committee ("the contract") to increase the contract amount by \$22,000 for additional professional consulting services on gas pipeline and LNG matters. This amendment increases the contract amount to provide authority to pay for costs associated with participation in meetings in August 2014 and advisement to the legislature on policy matters as they relate to the Alaska LNG (Liquefied Natural Gas) project.

Clause I (Statement of Scope of Work) of the contract is *modified* by adding a new section (C) to read:

(C) The Consultant shall also represent the Legislature at meetings in August, between the Administration, its consultants, and the partners involved with the Alaska LNG project. The Consultant shall represent the Legislature and be involved in discussions regarding the preliminary marketing strategy and other

decisions the Administration will be considering. Following the meetings, the Consultant shall be available to the Legislature to provide advisement on the current state of the Alaska LNG project.

Clause II (Period and Dates of Performance), Section (B) is *modified* to read:

- (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 a copy of all documents, reports, material, and other items required to be delivered to the Project Director by Clause XII (Ownership and Reuse of Documents) of this Contract as of the day of termination. In the event of a termination not based on breach by the Consultant, the Consultant shall be compensated at a daily rate prior to the Contract termination. *Prior to May 1, 2014, the daily rate is equal to (\$50,000.00/number of days in the month) X days in the month prior to termination (including weekends). On and after May 1, 2014, the daily rate is \$3,000 for each day spent participating in August 2014 Alaska LNG meetings. In addition to documents, reports, material, and other items required to be produced under this paragraph, if termination occurs after May 1, 2014, the Consultant shall also provide a copy of a report summarizing the August 2014 Alaska LNG meetings within 10 days of the termination.*

Clause III (Compensation) is *modified* to read:

- (A) *The Consultant shall perform the work specified in this Contract, including, but not limited to, all labor, materials, travel expenses, and equipment required to complete the work, for a total contract price not to exceed \$285,000.00.*
- (B) *Payments shall be made as follows:*
- | | |
|----------------------|----------|
| 1) January 1, 2014: | \$50,000 |
| 2) February 1, 2014: | \$50,000 |
| 3) March 1, 2014: | \$50,000 |
| 4) April 1, 2014: | \$50,000 |
| 5) May 1, 2014: | \$50,000 |

Payments for all work performed after May 1, 2014, shall be made on a monthly basis following receipt by the Project Director of a properly prepared invoice.

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, meeting participation, testimony, and advisement 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 related to performing work prior to May 1, 2014. The Consultant will not be required to submit receipts to support expenses incurred prior to May 1, 2014. Expenses incurred prior to May 1, 2014 exceeding \$13,000 will not be reimbursed by the Committee.*
- (D) *The Consultant shall be paid at a daily rate of \$3,000 for participating in August 2014 Alaska LNG meetings. The Consultant will be paid at half the daily rate for days spent traveling to/from Anchorage. The Consultant will be reimbursed for reasonable travel expenses (transportation, accommodation, and meal per diem based on the federal per diem rate) for travel to the August meetings that are supported by receipts and that are approved by the Project Director. Total payments for work performed following May 1, 2014 and for travel expenses may not exceed \$22,000.*
- (E) *Total payments under this Contract may not exceed \$285,000 for services and all expenses.*


As required by Legislative procurement procedures, a majority of the Legislative Budget and Audit (LB&A) Committee members authorized this Amendment and approved a motion for the additional expenditure of funds at its July 17, 2014 meeting.

All other terms of the contract remain the same.

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

CONSULTANT:

COMMITTEE:



Nikolaos Tsafos Date
Tax Identification No.:
Alaska Business License: 998215



Sen. Anna Fairclough, Chair Date
Legislative Budget & Audit Committee
Procurement Officer

CERTIFYING AUTHORITY:

APPROVED AS TO FORM:



Kristin Curtis Date
Legislative Auditor
Legislative Budget & Audit Committee



Legal Counsel Date
8/4/14

ACCEPTED:



Laura Pierre Date
Project Director
8/5/14