

PROFESSIONAL SERVICES CONTRACT BETWEEN

**STATE OF ALASKA
ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET & AUDIT COMMITTEE
120 4th Street, State Capitol, Room 3
Juneau, AK 99801**

AND

**CASTLE GAP ADVISORS, LLC
6634 Wanika Place
Houston, TX 77007**

*****Contract Amount – Not to Exceed \$35,000**
(amount includes reasonable travel expenses)***

The parties to this Contract, made and entered into 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 4th Street, State Capitol, Room 3, Juneau, AK 99801-1182, (hereinafter referred to as the "Committee"), and Castle Gap Advisors, LLC, whose address is 6634 Wanika Place, Houston, TX 77007 (hereinafter referred to as the "Consultant.")

THE PURPOSE OF THIS CONTRACT is to provide the committee with professional analysis and consulting services as described below.

IT IS THEREFORE MUTUALLY AGREED THAT:

CLAUSE I – STATEMENT OF SCOPE OF WORK

- (A) The Consultant shall advise the legislature on matters relating to Alaska's oil and gas fiscal system, including reviewing, analyzing and preparing reports on the State's oil and gas production tax structure, including, but not limited to, tax credits in particular; analyzing and modeling proposed changes to the current oil and gas fiscal system; and performing other work and analysis related to Alaska's oil and gas fiscal system at the request of the Project Director. The Consultant may be required to testify in Alaska legislature committee hearings and attend other meetings at the request of the Project Director.
- (B) The Consultant may not perform any work under this Contract without the prior written approval of the Committee Chair.

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- (C) The work under this Contract shall be performed by Rich Ruggiero, with limited assistance by Christina Ruggiero.

CLAUSE II – PERIOD AND DATES OF PERFORMANCE

- (A) The period of performance under this Contract shall be from February 6, 2017 through June 30, 2017, unless terminated earlier as provided in this Contract, 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 June 30, 2017, 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 and the termination is not based on a breach by the Consultant, the Committee shall compensate the Consultant as described below in Clause III(B), 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 XIV (Ownership and Reuse of Documents) of this Contract as of the day of termination.

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 that is calculated under this Clause and that may not exceed \$35,000.00.
- (B) The Consultant shall be compensated based on the following rate structure; the hours billed may not exceed 8 hours per day, unless approved in advance by the Project Director. The actual amount billed per day may be less, as hours billed will be accounted for in half-hour increments.

1. For performing services under this Contract, other than travel:

<u>Person</u>	<u>Hourly Rate</u>
Rich Ruggiero	\$375
Christina Ruggiero	\$250

2. Compensation for travel time between Houston and Juneau is limited to Rich Ruggiero and will be billed at a fixed rate as follows:

<u>Person</u>	<u>Roundtrip Rate</u>
Rich Ruggiero	\$3000.00

3. If Rich Ruggiero provides services and travels on the same day, he will be paid either half of the roundtrip rate or the hourly rate for services provided not to exceed 8 hours a day, whichever amount is greater.
4. Work shall be directed with the overall goal of providing the Committee with the best possible analysis in the most efficient and least costly manner.
- (C) The Consultant shall submit monthly billings for the work requested. All billings must be approved by the Committee Chair or the Project Director prior to payment.
- (D) If a payment is not made within 60 days after the Committee has received a complete 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 61st day through the date payment is made. A payment is considered made on the date it is mailed or electronically delivered or personally delivered to the Consultant.
- (E) The Consultant will be required to submit receipts to support expenses for transportation and accommodations related to performing work under the terms of this Contract. Subject to approval by the Project Director, the Consultant will be reimbursed for coach level transportation and reasonable accommodation expenses supported by a receipt and will be reimbursed for meals based on the federal per diem rate. Boarding passes are required to be submitted as a basis for calculating allowable per diem.
- (F) Total payments under this Contract, including reimbursement payments under (E) of this Clause III (Compensation) may not exceed \$35,000.00.

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 approval by the Committee Chair. 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 VI.

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 municipality for performance of the work 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's certification that taxes have been paid may be verified before final payment by the Committee.

CLAUSE VIII – 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, 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/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 of a third party, including, but not limited to, any damages, costs, and attorney fees arising from the claim, to the extent such third party claim arises from the Consultant's negligence or intentional misconduct in the performance of Consultant's obligations under this Contract.

CLAUSE XII – COVERAGE UNDER THE ETHICS LAW

Under AS 24.60.112(b) of the Legislative Ethics Act (AS 24.60), as amended in 2016, certain provisions of AS 24.60 apply to legislative consultants and legislative independent contractors. It is the responsibility of the Consultant to review AS 24.60 and determine whether the Consultant is in compliance with AS 24.60.

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 during the length of this Contract.

CLAUSE XIV – OWNERSHIP AND REUSE OF DOCUMENTS

- (A) All previously nonexisting documents, reports, material, and other items generated solely and directly 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 in this Clause XIV(A), this Clause XIV(A) does not give the Committee proprietary rights to financial models, databases 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. Notwithstanding the previous sentence, the Committee may use these items in its present or future legislative work.
- (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 Katrina Matheny. The Project Director is authorized to oversee and direct the activities of the Consultant under this Contract. The Committee Chair may replace the Project Director at any time and shall provide notice of the replacement to the Consultant.

CLAUSE XVI – CERTIFICATION


- (A) 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, 2017.

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:

 8 Feb 17
Rich Ruggiero Date
Managing Partner
Castle Gap Advisors, LLC
6634 Wanita Place
Houston, TX 77007
Alaska Business License #1026302

COMMITTEE:

 2/8/17
Sen. Gary Stevens, Chair Date
Legislative Budget & Audit Committee
Procurement Officer

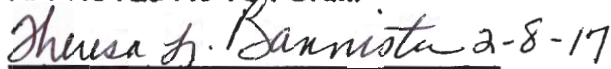
ACCEPTED:

 2/8/17
Katrina Matheny Date
Project Director

CERTIFYING AUTHORITY:

 2/8/17
Kris Curtis Date
Legislative Auditor

APPROVED AS TO FORM:

 2-8-17
Theresa S. Bannista Date
Legal Counsel

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