

# NATIONAL PETROLEUM RESERVE – ALASKA (NPR-A)

## Impact Mitigation Grant Program

### Grantee Introductory Handbook



State of Alaska  
Department of Commerce,  
Community, and Economic  
Development

Division of Community and  
Regional Affairs  
211 Cushman Street  
Fairbanks, Alaska 99701

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## INTRODUCTION

Your community has been determined by the State of Alaska Department Commerce, Community, and Economic Development to be eligible for the National Petroleum Reserve-Alaska (NPR-A) Impact Mitigation Grant Program. You have been assigned a Grants Administrator (GA) in the Fairbanks Grants Office. We will try to keep your paperwork to a minimum, explain all the rules and regulations, and make sure you have all the help you need in meeting the program requirements.

Fairbanks Office NPR-A Grants Administrators:

Grants Manager: **Jill Davis:** Phone – (907) 451-2717 or email – [jill.davis@alaska.gov](mailto:jill.davis@alaska.gov)

**Pauletta Bourne:** Phone - (907) 451-2721 or email - [pauletta.bourne@alaska.gov](mailto:pauletta.bourne@alaska.gov)

**Judy Haymaker :** Phone – (907) 451-2731 or email – [judy.haymaker@alaska.gov](mailto:judy.haymaker@alaska.gov)

**Kimberly Phillips:** Phone – (907) 451-2718 or email – [kimberly.phillips@alaska.gov](mailto:kimberly.phillips@alaska.gov)

If your assigned Fairbanks GA is unavailable, please contact **Janet Davis**, the Grants Administrator III in Fairbanks at (907) 451-2746 or email – [janet.davis@alaska.gov](mailto:janet.davis@alaska.gov).

Fairbanks Grants Office  
211 Cushman Street  
Fairbanks, AK 99701-3110  
**Fax: (907) 451-2742**

## INTERNET ACCESS TO GRANT INFORMATION

### What is the Department's web site address?

Our web site address is: [www.commerce.state.ak.us/](http://www.commerce.state.ak.us/)

This site offers information on all of the programs and services available through our Department.

Another web site provided by the Department is Local Government Online located at:

[www.commerce.state.ak.us/dca/LOGON/home.cfm](http://www.commerce.state.ak.us/dca/LOGON/home.cfm)

LOGON is intended to provide information on important local government issues, such as: duties and responsibilities of elected officials, holding public meetings, financial management, grant management, personnel management, payroll, ordinances, conducting elections, municipal government structure, incorporation, annexation, tribal and municipal agreements, water and sewer utility management, and much more.

All State employees can be reached via email. The email address for DCCED employees follows this format: [firstname.lastname@alaska.gov](mailto:firstname.lastname@alaska.gov)

### What information is available online pertaining to DCCED Grant Programs?

We have a comprehensive Grants Database available online at:

[www.commerce.state.ak.us/dca/commdb/CF\\_Grants.htm](http://www.commerce.state.ak.us/dca/commdb/CF_Grants.htm)

The following grants are included in the online database (partial list):

- ~ Capital Project Matching Grants (Municipal & Unincorporated)
- ~ Community Development Block Grants
- ~ Designated Legislative Grants
- ~ Mini-Grant Assistance Grants
- ~ National Petroleum Reserve-Alaska Grants

You can retrieve grants information for one or more communities from the list provided. Data is presented in an easy to read table format. Information includes the fiscal year, grant type, brief project description, current grant status, lapse date, amount awarded, required local match, and current fiscal data such as the amount disbursed, reported and the balance remaining. Another helpful service on this site is the ability to email the grants information in an Excel spreadsheet format.

## **What other grant funding information is available?**

If you are seeking grant or loan funding for a project, be sure to check out the *Alaska Economic Development Research Guide* (EDRG). The EDRG is designed to bring together in one place an inventory of programs and services which can provide economic development assistance to Alaska communities and businesses. Over 120 financial and technical assistance resources are identified in the guide. The web site address is: [www.commerce.state.ak.us/dca/edrg/EDRG.htm](http://www.commerce.state.ak.us/dca/edrg/EDRG.htm)

Federal and State agencies as well as national and Alaska private nonprofit agencies are represented. This directory primarily describes those programs which focus on the creation and support of new industries, businesses and long-term jobs. It is designed to help communities match their economic development strategy with existing program resources that could support that strategy.

## **National Petroleum Reserve – Alaska (NPR-A) Impact Mitigation Grant Program ~ Report to the Legislature**

In accordance with AS 37.05.530 (c), within 10 days after the convening of each regular session of the legislature, the department shall submit to the legislature a list of all municipalities that have received grants, a list of all municipalities determined by the department to be eligible for further grants, a recommendation of the amount of money to be granted for those additional applications, and written justification of each past potential grant.

This report is submitted to the Legislature and published on the division's website annually at the following location:

<http://www.commerce.state.ak.us/dca/StaffDir/GetPubl.cfm>

## PART I

### Program Information

#### ~ National Petroleum Reserve-Alaska Grant Program ~

#### Program History

As authorized December 12, 1980 by 42 U.S.C. Chapter 78, Sections 6501-6508, the Federal Government, through the Department of Interior, Bureau of Land Management, allows for the exploration and development of oil and gas within the National Petroleum Reserve-Alaska (NPR-A).

Although the federal government manages the NPR-A, Section 6506a(l) or former Section 6508 of the federal statute requires that fifty-percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued...” be paid to the State of Alaska. Leases awarded by the federal government are usually for ten years and require that each company holding a lease pay a decreasing annual amount.

In accordance with Section 6506a(l) or former Section 6508, the monies are to be used by “the State of Alaska for (1) planning, (2) construction, maintenance, and operation of essential public facilities, and (3) other necessary provisions of public service: *Provided further*, That in the allocation of such funds, the State shall give priority to use by subdivisions of the State most directly or severely impacted by development of oil and gas leased under this Act.”

The State of Alaska began receiving payments in State fiscal year (FY) 1983. To segregate these monies, in SLA 1984, Chapter 94 the Alaska Legislature enacted AS 37.05.530 (a) and (b). This statute established the National Petroleum Reserve Alaska Special Revenue Fund. Henceforth, NPR-A payments were to be deposited within the NPR-A Fund and used to support:

1. NPR-A Impact Mitigation grants to communities in accordance with AS 37.05.530 (c) through (e) which established the NPR-A Impact Mitigation Program. Under this program, communities may apply for assistance, i.e. grants, to fund projects that fall within federal and state guidelines. As required, priority is given to those communities most directly or severely impacted by oil and gas development.
2. Of the remaining lease payments, not needed to fund NPR-A Impact Mitigation grants, twenty-five percent is transferred to the Alaska Permanent Fund per AS 37.05.530(g).

## **PROGRAM HISTORY ~ *continued***

3. Of the remaining payments, not needed to fund NPR-A Impact Mitigation grants, one-half percent is transferred to the Public School Trust Fund per AS 37.05.530(g).
4. Up to the entire amount of the remaining payments may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund per AS 37.05.530(g).
5. Any remaining payments are then transferred to the State's General Fund per AS 37.05.530(g).

Prior to 1984, half of the total NPR-A funds received by the State were deposited in the Alaska Permanent Fund, one-half percent in the Public School Trust Fund and the remainder was deposited in the General Fund and used to fund various Legislative appropriations. In 1985 the North Slope Borough, Wainwright and Barrow filed suit alleging that the State's method of allocating the NPR-A payments was in conflict with federal law. The decision in *Barrow v. State*, No. 1JU-85-2634, established that: (1) the State's distribution of NPR-A revenue had been incorrect and it did conflict with federal requirements; (2) the State needed to "reconstitute" the NPR-A Fund in part; and (3) henceforth, the State would allow first priority to the municipalities and/or communities most directly impacted by the NPR-A development.

As a result of the litigation, the NPR-A Fund was reconciled and reconstituted as of October 1987. It was also reconciled and reconstituted again as of September 1990 and again as of June 1992. Multiple reconciliation's between actual NPR-A payments received and cash available in the NPR-A Fund were necessary because:

- (1) The NPR-A payments (deposited in the NPR-A Fund) were being used to fund *two* programs. In addition to funding the NPR-A Impact Mitigation Program the payments were also funding grants awarded by the Department of Administration under the Municipal Grants Program; and
- (2) In FY 92 AS 37.05.530 was amended and required a recalculation of available cash in the NPR-A Fund annually back to FY 87.

SLA 1985, Chapter 96; SLA 1986, Chapter 128; SLA 1988, Chapter 173; and SLA 1990, Chapter 208 appropriated, repealed, and reappropriated the grants funded from NPR-A payments but administered under the Municipal Grants Program by the Department of Administration. These projects and their grants are not reflected in this report. This report

## **PROGRAM HISTORY ~ *continued***

addresses only the grants that were/are funded from NPR-A payments *and* awarded under the NPR-A Impact Mitigation Program.

FY 87 was the first year of the actual NPR-A Impact Mitigation Program. The general procedure remains the same today as in 1987. Periodically, the Department is notified by the U.S. Department of Interior, Bureau of Land Management (BLM) that the federal government will be offering tracts of land for lease in the National Petroleum Reserve-Alaska. The Department then provides public notice that funding may become available for NPR-A Impact Mitigation grants and requests that communities submit project proposals (grant applications). The Department establishes a review committee, makes award recommendations, and if both NPR-A lease revenue and a Legislative appropriation is received, the Department awards NPR-A Impact Mitigation grants to specific communities for specific projects.

The Bureau of Land Management (BLM) receives payments from the NPR-A leases in two installments each year. The first installment includes payments received between April 1 and September 30; the second installment includes payments received between October 1 and March 31. BLM forwards fifty-percent of the amount received to the State of Alaska in two installments, usually received by December 31<sup>st</sup> and May 31<sup>st</sup>.

Each year, the Department requests a Legislative capital appropriation for that year's anticipated fifty-percent. The appropriation and subsequent revenue are then used to fund NPR-A grants according to AS 37.05.530.

Effective October 16, 2003 the NPR-A program regulations were amended to change the date by which grant applications must be postmarked (for receipt by the Department) from September 15<sup>th</sup> annually to November 15<sup>th</sup> annually. This was the only change made to the regulations.

In 2006, the provisions of the NPR-A Special Revenue Fund established under AS 37.05.530 were amended by Senate Bill 171. SB 171 provides that amounts received by the State under 42 U.S.C. 6506 a (1) or former 42 U.S.C. 6508 and not appropriated for grants to impacted municipalities, shall be deposited at the end of each fiscal year as follows:

- 25% of the gross amount of receipts to the principal of the Alaska Permanent Fund
- .5% of the gross amount of receipts to the Public School Trust Fund
- Any remaining dollars after these deposits may be appropriated by the Legislature to the Power Cost Equalization and Rural Electric Capitalization Fund

## **PROGRAM HISTORY ~ *continued***

- Any remaining cash balance shall lapse into the State General Fund for use by the State for planning, construction, operation & maintenance of essential public facilities; and other necessary public purposes.

Additionally, SB 171 allows for a “catch-up” mechanism whereby if there are amounts left over in future years following payment of grants and deposits to the Alaska Permanent Fund and the Public School Trust Fund, those amounts will be allocated to the Permanent Fund

and the public School Trust Fund in an amount equal to the deficiencies in past years when the full gross amount could not be deposited.

SB 171 also specifies that in making appropriations from the National Petroleum Reserve-Alaska Special Revenue Fund, the Legislature shall identify the grants for activities, services, and facilities as capital appropriation items and shall specify amounts for each.

## **PROGRAM OVERVIEW**

**ELIGIBILITY IN GENERAL** - Eligibility for NPR-A impact assistance has two main components: applicant eligibility and project eligibility.

**APPLICANT ELIGIBILITY-** To be eligible to receive assistance under the NPR-A Impact program, the applicant

- (1) must be a municipality under state law; and
- (2) must demonstrate present impact, regardless of date of initial occurrence, or foreseeable future impact, on the applicant or the applicant’s residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6506a or former 42 U.S.C. 6508.

## **PROJECT ELIGIBILITY**

- (a) To be eligible for funding under the NPR-A impact program, a project must be related to present, continuing, or reasonably foreseeable impact on the applicant or the applicant’s residents from oil or gas exploration, production, or transportation activities in the NPR-A under 42 U.S.C. 6506a or former 42 U.S.C. 6508.
- (b) To be eligible for funding, a project also must be for the purpose of
  - (1) planning;
  - (2) construction, maintenance, and operation of essential public facilities; or
  - (3) other necessary public services.

## PROJECT ELIGIBILITY ~ *continued*

- (c) In this section, “impact” means an effect reasonably attributable to NPR-A oil and gas activities under 42 U.S.C. 6506a or former 42 U.S.C. 6508 on
- (1) population;
  - (2) employment;
  - (3) finances;
  - (4) social and cultural values;
  - (5) air and water quality;
  - (6) fish and wildlife habitats;
  - (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and
  - (8) other things of demonstrable importance to the applicant or the applicant’s residents.
- (d) Examples of needs that eligible projects may address include the following:
- (1) resource protection to ensure the continued viability of fish, wildlife, and other natural resources on which the applicant’s residents rely for subsistence needs;
  - (2) alleviation or mitigation of adverse social or cultural impacts;
  - (3) health needs, including hospitals, clinics, emergency medical facilities, alcohol and drug abuse facilities, mental health facilities, waste disposal systems, and water quality improvement systems;
  - (4) public safety needs, including police protection, search and rescue, and fire protection
  - (5) utility needs, including electric generating plants and distribution systems, water supply systems, telephone systems, and other fuel distribution systems;
  - (6) housing needs;
  - (7) recreational needs.

**LAPSING GRANTS** - Communities with existing grants that are scheduled to lapse on June 30 of the current year will be contacted by their grants administrator early in the year regarding the status of their grant(s). Grantees may request a one-year extension of the grant term. This request must be in writing and must explain why an extension is necessary for each project. If any Financial/Progress Reports are due, they must be submitted with the extension request. *No extensions will be approved without written justification and receipt of up-to-date grant reports.*

## **GRANT DOCUMENT SIGNATORY AUTHORITY**

All eligible entities for this program should have a current "Grant Document Authorized Signers" form on file with the Department. The highest-ranking elected official is automatically designated as the person responsible for signing grant documents. The "Signatory Authority" form allows the highest-ranking elected official to authorize other staff to sign grant documents, such as the grant agreement, any amendments and financial reports. The form also identifies Grantee contact information, including mailing address, telephone and fax numbers and e-mail address. *Please submit a new form after each election or whenever there has been a change in staff.*

## **GRANT NEGOTIATION**

Upon appropriation and award of the grant, your community will receive a negotiation letter. This identifies the information required about your project so the Grant Administrator can prepare the scope of work and project budget that will be included in the Grant Agreement.

## **RESTRICTION ON USE**

Under the provisions of AS 37.05.530 (d) grant funds may not be used for the retirement of municipal debt.

## **GRANT TERM**

Grant Agreements are written for a term of five years, usually beginning on July 1<sup>st</sup> and terminating on June 30<sup>th</sup>. For example, a grant awarded for Fiscal Year 2011 would have a term from July 1, 2010 – June 30, 2015.

## **SITE CONTROL**

### **What is site control?**

The specific piece of land on which you choose to put your building, road, etc., is your site. Before you begin construction, you need to make sure that you have the legal right to use the site. This legal right is called site control. This right must be formally given in writing; verbal permission is not enough.

### **Why is site control important?**

If you do not have site control and you build the project anyway, you are essentially giving control of the completed facility to the owner of the site. That person will have the right to

## **SITE CONTROL ~ *continued***

say who can come onto the property, how the property can be used, and even if the facility can be used at all. It is important to take the time to acquire site control correctly, so that you won't have any legal problems with your site after your project is built.

### **What level of site control is required?**

Site control requirements depend upon the nature of the project. If you are going to construct a building, you should get a lease or deed, so that you have sole control of the land. A lease is a legal contract granting the right to use land for a specific purpose for a specific period of time. The landowner keeps ownership of the land, and the lease holder gets exclusive use of the property. If you are leasing land to build a building on, the period of the lease should be at least for the useful life of the building (generally 20 years). If you need to build something across someone else's land, you should get an easement or right-of-way for the particular use you plan. If you are going to use the land only temporarily, such as during construction, you should get a use permit or license.

It is important that the boundaries of the property be identified and legally described so that structures are built on the right land. It is recommended that the property be surveyed if you are obtaining title to the land by deed or if you are obtaining a long-term lease.

In addition to obtaining control of the land, you should also insure that there is adequate access to the site. It may be necessary to obtain an easement across other property in order to assure legal access to the property being used. Owning the property is useless if you cannot get to it.

### **What is a legal description?**

It is necessary to accurately describe the land in the lease, deed or easement documents. This "legal description" is extremely important because it must accurately identify the land that is being used. A recorded survey plat is the preferred method of describing land. The legal description usually identifies the lot and block number of the site on a survey.

All site control determinations for DCCED Grants are made through our Division's Land Management and Mapping Section. Your Grant Administrator will coordinate with that section to help you establish site control for your project.

If land has been transferred from the Federal or State government to another party, the conveyance document should be on record at the appropriate District Recorder's office. The Recorder's office maintains a complete history of land ownership, which is called the chain of title. When a title document is recorded, the information is indexed by tract (location), by grantor (seller) and by grantee (buyer). The public can find documents by accessing the statewide recording system database at any DNR Recording Office or on the Internet at: [www.dnr.state.ak.us/ssd/recoff/search.cfm](http://www.dnr.state.ak.us/ssd/recoff/search.cfm)

## **SITE CONTROL ~ *continued***

The address of the District Recorder's office serving any given community may be obtained from: [www.dnr.state.ak.us/ssd/recoff/distlist.htm](http://www.dnr.state.ak.us/ssd/recoff/distlist.htm)

or

### **State Department of Natural Resources, State Recorder's Office**

550 West 7<sup>th</sup> Avenue, Suite 1200

Anchorage, AK 99501-3564

(907) 269-8882

If the project is located within a Federal townsite, the BLM Alaska State Office must be contacted. They are responsible for issuing land deeds to Alaskan villages. The trustee owns and manages townsite lands until a deed is issued. Contact the office below to determine if a site is available:

### **US Department of the Interior**

#### **Bureau of Land Management, Alaska State Office**

222 W. 7<sup>th</sup> Avenue, #13

Anchorage, Alaska 99513-7599

(907) 271-5960

The State Municipal Lands Trustee may need to be contacted if the land to be used is in an unincorporated ANCSA village. The Municipal Lands Trustee holds title in trust for community use and expansion. If you are not sure of the land status, provide your Grant Administrator with a **legal description** of the parcel and a map of the area showing the location of the parcel, and we will request a determination for you. Establishing site control can take time, so if you need help, please alert your Grant Administrator as soon as possible.

Additional information about site control may be obtained online from the Division's publication *What is Site Control?*

<http://www.commerce.state.ak.us/dca/pub/WhatIsSiteControl2004.pdf>

## **INSURANCE**

You (the Grantee) may not start work on a project until you have obtained all the insurance required to protect project workers, the general public and your own interests. Insurance can be obtained from a number of different sources.

You should shop around for bids from several companies in order to get the best coverage for the best price. Listed below are the types of insurance that may be required, depending upon the community's needs:

**Workers' Compensation Insurance** - The Alaska Workers' Compensation Act as governed by State law (AS 23.30) requires each employer having one or more employees in Alaska to obtain workers' compensation insurance, unless the employer has been approved as a self insurer. The cost of a workers' compensation policy (the premium) is based upon the employer's payroll, type of business risk (classification assignment), and the employer's loss history.

**General Liability** - The Grantee is responsible for obtaining any necessary liability coverage to protect itself and its workers from claims due to accidents.

**Vehicle Liability** - State law (AS 21.89) requires that all vehicle owners must maintain at least a minimum of insurance coverage against loss from damages arising out of the ownership or use of the vehicle.

**Professional Liability Insurance (optional)** - The community should consider requiring contractors (including architects, engineers, etc.) to obtain this insurance to cover any negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them. This coverage provides extra protection for the Grantee.

**Builder's Risk Insurance (optional)** - The community should obtain fire, theft, vandalism and other kinds of insurance coverage, either for the whole project or some part of the project.

**Hazard Insurance (optional)** - The community may want to acquire insurance coverage for unusual events such as windstorms, flooding or earthquakes.

## **INSURANCE ~ *continued***

Proof of insurance may be required prior to release of grant funds, particularly if grant funds will be used to pay labor costs. In this case, your Grants Administrator may ask you to have your insurance company to provide us with a **Certificate of Insurance** on which DCCED is named an interested party. This doesn't mean the State is a party to your insurance contract; it means that we will automatically be notified of any changes in your coverage.

## **LABOR STANDARDS**

There are only two ways labor can be performed and paid for under an NPR-A Grant. These are **Force Account Labor** or **Contracted Labor**. On occasion, Grantees also utilize volunteer labor. Grantees are encouraged to contact the State Department of Labor & Workforce Development's Wage & Hour Division for information on the use of volunteer labor. The contact number for the Wage and Hour Administration is (907) 465-4842 in **Juneau**; (907) 269-4900 in **Anchorage**; and (907) 451-2886 in **Fairbanks**.

**FORCE ACCOUNTING** is a term describing a construction project in which a local government (you, the Grantee) serves as the contractor and constructs a project "in-house" using local labor. This applies to all labor, not just construction labor. **In a force accounting project, workers are hired directly by the Grantee as public employees.**

The Grantee bears the final responsibility for hiring and firing employees, setting wages (the wages must reflect the prevailing wage for that type of work for the area), paying wages and making appropriate payroll deductions, purchasing materials, and all aspects of construction. Using the Force Accounting method is usually less expensive. However, force accounting is not necessarily the best approach for every community or for every project. Force account projects can be the ultimate test of a community's administrative abilities.

Two questions should be kept in mind when considering whether or not to use force accounting for a construction project. The first is whether or not the local government is **capable** of handling the technical aspects and labor requirements of the project. The second is whether or not the local government and the community have the **commitment** to provide the labor force, training programs and support necessary to successfully complete a force account project. These two critical questions need to be carefully considered and answered before starting a force account project.

One of the major benefits of force accounting is the opportunity to employ and train local residents. A local government should evaluate the size and talents of the resident labor force to determine what part of the job can be done by local people, and how many people will need to be hired from outside the community.

## LABOR STANDARDS ~ *continued*

You must **keep very detailed financial records** if you will be utilizing force account labor on your project. Information must be maintained about the employee, position (job description, hours and wage rate), as well as standard payroll records (approved timesheets for each employee, hours worked, tax and fringe benefit computation, evidence of payment, etc.).

### ***A NOTE ABOUT REIMBURSABLE FRINGE BENEFITS:***

When you submit your Financial/Progress report with a request for reimbursement of wages paid, please be advised of the fringe benefits for which you are allowed reimbursement. These include: ESC (Employment Security Tax), FICA (Medicare and Social Security), and other benefits which you, the Grantee, normally provide for full-time employees, such as health insurance benefits or retirement plans.

We are ***not*** allowed to reimburse you for Federal Income Tax, which you pay on your employees' wages.

***CURRENT PREVAILING RATES OF WAGE.*** Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. All contracted labor must be paid the prevailing wage rate issued by the Alaska Department of Labor and Workforce Development in Pamphlet No. 600, ***Laborers' & Mechanics' Minimum Rates of Pay***. This pamphlet is published twice yearly, April 1<sup>st</sup> and September 1<sup>st</sup>, and may be accessed on-line at <http://www.labor.alaska.gov/lss/pamp600.htm>. In determining which prevailing rates apply to a given project it is necessary to know the final bid date of the project. If your project uses Contracted Labor, the contractor will be doing most of the paperwork; however, you must obtain and keep copies of all of the contractor's payroll and time records for each employee.

Once you have selected the contractor to whom you want to award the contract, and before signing the contract, you must verify that the contractor is not ineligible (i.e., debarred) from participation in Federal programs. The State of Alaska maintains a list of entities debarred from bidding or working on public construction projects within Alaska. That list can be accessed on-line at <http://labor.state.ak.us/lss/debarments.htm>.

## **FIRE MARSHAL**

All construction, repair, remodel, addition or change of occupancy of any building/structure or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before ANY work is started. The State Fire Marshal reviews and approves all construction on public buildings and fuel tanks to make sure that they are not fire hazards.

Plans and specifications regarding the location of the building or structure on the property, area, height, number of stories, occupancy, type of construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and fire alarm systems must be submitted by the owner or owner's representative to the State Fire Marshal for examination and approval.

This review does not address structural considerations or accessibility requirements. Mechanical and Electrical review is limited to that which is necessary to confirm compliance with fire and life safety requirements.

A copy of the plan review approval certificate must be posted as required in 13 AAC 55.100(b). **It is prohibited to occupy a building for which plans have not been examined and approved.**

The following information and guidance is offered regarding the plan review and permitting process:

1. Submit a completed plan review application form accompanied by construction documents to the appropriate State Fire Marshal's Office.
2. The construction plans are reviewed after receipt of the plan review fee. All fees are calculated by the Fire Marshal's Office.
3. During spring/summer preconstruction, plans should be submitted at least one month prior to the anticipated construction start.

**Anchorage Office**  
5700 E. Tudor Road  
Anchorage, AK 99507  
(907) 269-5491

**Fairbanks Office**  
1979 Peger Road  
Fairbanks, AK 99709  
(907) 451-5200

**Juneau Office**  
PO Box 111202  
Juneau, AK 99811  
(907) 465-4331

## **PERMITS**

Almost all public building projects require some permits. A few permits may come from your local government, but most come from state or federal agencies.

Generally, you will need two types of permits: building and operating. You need to get your building permits first, because you can't start construction until you do, but you should start working on getting your operating permits as soon as you can, so you will be able to use your building as soon as it is finished.

Your local government may also require you to submit your plans for review to the planning commission. You may also need to obtain local permits before you build. These might include a building permit, a conditional use permit, a variance or an excavation permit. If you are building on or near a floodplain, you may need to get a flood hazard development permit. Be sure to check with your local government to find out what permits it requires.

**Grantees are required to obtain all necessary permits required by law for applicable projects.**

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. If you are not sure what ADEC permits you need, you can fill out a questionnaire on their Web site ([www.dec.state.ak.us](http://www.dec.state.ak.us)) or contact the ADEC office closest to you for assistance:

**State of Alaska  
Department of Environmental Conservation**

<b>Northern Regional Office</b>	<b>Southcentral Regional Office</b>	<b>Southeast Regional Office</b>
610 University Avenue	555 Cordova Street	PO Box 111800
Fairbanks, AK 99709	Anchorage, AK 99501	Juneau, AK 99811
(907) 451-2120	(907) 269-7501	(907) 465-5285
Fax: 451-5120	Fax: 269-7510	Fax: 465-5362

The following two pages list the names, addresses and telephone numbers for various permitting agencies with the State. This list is not intended to be all-inclusive.

## Potential Project Permit Requirements

Type of Permit, Approvals, Etc.	Description	Regulatory Agency
School Construction	Authority of the Department of Education for review of construction documents for educational facilities.	<b>Department of Education &amp; Early Development</b> PO Box 110500 Juneau, AK 99811-0050 (907) 465-2800
Solid Waste Disposal Permit Water Discharge Permit Plan Review and Approval of Sewerage or Sewage Treatment Works Plan Review and Approval of Public Water Systems Storage Tank Program Food Safety & Sanitation Program Plan Review and Health Inspections of Public Establishments	Permit needed for disposal of solid waste or hazardous material  Permit needed for the disposal of wastewater on land or in waters.  Plans for the construction, installation, modification or operation of a public water supply system must be approved prior to construction  Pre-operation inspection is required to ensure compliance with health and sanitation standards for food service establishments, schools, day-care and pre-elementary schools, hotels and motels, swimming pools and bathing areas, and public toilets.	<b>Department of Environmental Conservation</b> PO Box 111800 Juneau, AK 99811-1800 (907) 465-5285 <b>or</b> 555 Cordova Anchorage, AK 99501 (907) 269-7501 <b>or</b> 610 University Avenue Fairbanks, AK 99709 (907) 451-2120
Anadromous (Salmon Spawning) Fish Protection Permit Critical Habitat Area Permit State Game Refuge Permit	Approval for any work in or near anadromous rivers, lakes or streams.  Approval for any work or development in a critical habitat area.  Permit needed if proposing work or development within a designated state refuge or game sanctuary.	<b>Department of Fish &amp; Game</b> Division of Habitat PO Box 115526 Juneau, AK 99811-5526 (907) 465-1852  (or contact local office in Palmer, Anchorage, Fairbanks, Craig, Petersburg or Soldotna)
Alaska Coastal Management Certificate of Consistency	Establishes coastal policies, rules, responsibilities; if no local program is approved, State standards will apply for projects in the coastal zone.	<b>Department of Natural Resources</b> Division of Coastal & Ocean Management 550 W 7 <sup>th</sup> Ave., Suite 705 Anchorage, AK 99501 (907) 269-7470
Hospital and Health Facility Construction	Authority of the Department of Health & Social Services for licensing and establishing standards for the construction of hospital and health facilities.	<b>Department of Health &amp; Social Services</b> Health Facilities Licensing and Certification 619 E. Ship Creek Avenue, Ste. 232 Anchorage, AK 99501 (907) 334-2483
Unemployment Insurance  Workers' Compensation Insurance	Individuals, companies and organizations that have one or more workers in covered employment for any part of a day must register with the Department.  Any employer with one or more employees working within the state must buy a workers' compensation insurance policy and submit proof of insurance to the Department.	<b>Department of Labor &amp; Workforce Development</b> Employment Security Division PO Box 115509 Juneau, AK 99811-5509 (907) 465-2712  Any Licensed Insurance Broker or DOL Division of Workers' Comp. PO Box 115512 Juneau, AK 99811-5512 (907) 465-2790
Certification of Fitness – Electrical and Plumbing Certification of Pressure Vessels	Certifies the competency of electricians and plumbers.  To ensure that boiler and pressure vessels and elevator constructions, installation and operation conform to regulations.	Mechanical Inspection 3301 Eagle Street, Suite 302 Anchorage, AK 99503 (907) 269-4925

## Potential Project Permit Requirements (continued)

Type of Permit, Approvals, Etc.	Description	Regulatory Agency
Clearance regarding Preservation of Prehistoric and Archaeological Resources	Determination of presence/absence of cultural resources on the building site.	<b>Department of Natural Resources Office of History &amp; Archaeology</b> 550 W 7 <sup>th</sup> Ave., Suite 1310 Anchorage, AK 99501-3565 (907) 269-8721
Rights-of-Way Easement	Authorization required for rights-of-way easement and construction or improvements on easements established on State lands.	<b>Department Natural Resources</b> Division of Mining, Land & Water 550 W 7 <sup>th</sup> Ave., Suite 1070 Anchorage, AK 99501-3579 (907) 269-8600
Water Rights Permit	Must obtain permit to use surface or ground water in Alaska	
Sand and Gravel Extraction	To obtain sand and gravel on State lands for use on the project.	
Life/Fire Safety Plan Check for Construction/Occupancy of Building	Approval of building plans is required for fire protection and safety. This applies to commercial, industrial business, institutional or other public buildings containing four or more dwelling units.  Construction, repair, remodel, addition or change of occupancy of any building/structure as listed above, or installation or change of fuel tanks must be approved by the State Fire Marshal's office prior to any work being started.	<b>Department of Public Safety</b> Division of Fire & Life Safety 5700 East Tudor Road Anchorage, AK 99507 (907) 269-5491 <b>or</b> PO Box 111202 Juneau, AK 99811-1202 (907) 465-4331 <b>or</b> 1979 Peger Road Fairbanks, AK 99709 (907) 451-5200
Handicapped Accessibility Driveway Permit	Review and approval of plans for buildings and facilities with respect to handicapped access.  Permit required to construct and maintain a driveway or approach road on highway right-of-way.	<b>Department of Transportation &amp; Public Facilities</b> Statewide D & E Services PO Box 112500 3132 Channel Dr. Juneau, AK 99811-2500 (907) 465-2960
Discharge of Dredged or Fill Material into U.S. Waters Structures or work in/or Affecting Navigable Waters	Permit required for the discharge of any dredged or fill material in US waters, including wetland. Permit cost is \$100 for commercial use or \$10 for non-commercial use.  Permit required for any work or placement of structures in US waters.	<b>Federal Agencies</b> <b>US Army Corps of Engineers</b> US Army Engineer District, AK PO Box 6898 Elmendorf AFB, AK 99506-6898 (800) 478-2712
National Wildlife Refuge Land – Special Use Permit	Permit required for easements, roads or utilities in Wildlife Refuge Lands.	<b>US Fish &amp; Wildlife Service</b> Division of Realty 1011 East Tudor Road, MS 211 Anchorage, AK 99503 (907) 786-3414
Oil Storage Facilities – Spill Prevention Control Counter Measures Plans	Approval required for onshore and offshore oil storage facilities.  Also contact the Alaska Dept. of Environmental Conservation, Compliance Assistance Office at (800) 510-2332	<b>US Environmental Protection Agency</b>  Alaska Operations Office 222 West 7 <sup>th</sup> Ave. #19 Anchorage, AK 99513-7588 (800) 781-0983 (907) 271-5083
Structures Which May Interfere with Airplane Flight Paths	Any construction or alteration of any structure, roadway, overhead wires and so on which may interfere with airplane flight paths must be reported to the Federal Aviation Administration.	<b>US Dept of Transportation Federal Aviation Administration</b> Alaskan Region Airports Division 222 West 7 <sup>th</sup> Avenue #14 Anchorage, AK 99513 (907) 271-5438

## **SPECIAL REQUIREMENT:**

If the project will result in preparation of a document (i.e., study, plan, analyses, research report, etc.) you are required to submit **two hard copies** of any printed deliverables upon completion. In addition, the following language must be included in the final document: *“This plan was produced in part with National Petroleum Reserve-Alaska grant funds made available through the Department Commerce, Community, and Economic Development.”*

## PART II

# The Grant Agreement

### STANDARD PROVISIONS

Your grant agreement with the Department will include "Standard Provisions." When you sign your grant agreement, you are certifying that you fully understand and will comply with these provisions, so it is very important that you read and become familiar with them. Everyone involved with the project on an administrative level should be familiar with these provisions. Some of the provisions are of particular importance and are identified below.

**Article 5. Access to Records.** *"The State shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement."* It is important that you maintain complete records on the project to provide to the Department upon request. All grant files must be retained for at least six years from completion of the project. In addition, your Grant Administrator may schedule a visit to your community to review project files, see the site and take photographs for your file.

**Article 6. Reports.** *"The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement..."* When you sign this grant agreement, you are agreeing in part to furnish the required reports under this grant.

**Article 11. Amendments and Modifications.** *"The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee."* If you wish to change your project in any way, please request approval from your Grant Administrator in writing.

## STANDARD PROVISIONS ~ *continued*

**Article 29. Budget Flexibility.** *“Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.”* For budget amendments you must be thinking ahead – request the amendment before you expend the money!

**Article 30. Equal Employment Opportunity (EEO).** *“The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.”* The Grantee must display EEO posters (your Grant Administrator can obtain these for you) where they can easily be viewed by all employees and applicants for employment. All solicitations and advertisements for employees to work on State-funded projects must state that the Grantee is an equal opportunity employer. The EEO provisions must also be included in every contract relating to this grant agreement, including those entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

**Article 34. Current Prevailing Rates of Wage.** *“Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS.”* To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee shall also require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

Please contact the State of Alaska Department of Labor if you have any questions on the applicability of AS 36 to your project.

## **SCOPE OF WORK / BUDGET**

Attachment A to the Grant Agreement is called “Scope of Work”. It includes the following elements:

**Project Description** — This is a narrative description of the project. As this will be compiled and written by the Grant Administrator, it is important that you read it before signing the grant agreement. Your signature on the grant agreement indicates that you agree with this narrative, among other things.

**Project Budget** — This section includes the budget narrative, showing use of grant funds, matching funds, and the total project cost. Certain budget modifications can be made as the project progresses. These can be discussed with your Grant Administrator when the need arises.

**Forms Packet** — This includes a sample of the financial and project reporting forms. You can also obtain a copy of this form electronically if you wish. **Samples are included at the back of this handbook.**

## **SPECIFIC NPR-A BUDGET CONCERNS**

**Labor:** Identify specific job titles, hours worked per week and hourly wages for all staff that will be paid with grant funds. Include copies of job descriptions for each position.

**Fringe Benefits:** NPR-A funds can reimburse the employer’s share of FICA, ESC, and Workers’ Compensation (WC). However, federal withholding taxes are not reimbursed to the City/Borough as they are not a benefit. Workers’ Compensation may be paid either as a percentage of the wages OR included in an Insurance line item. You must identify which line item Workers’ Compensation will be charged to. You also must identify the specific percentages paid for each benefit expense and submit a copy of the City/Borough’s current Contribution Rate Notice from the Department of Labor that identifies the City/Borough’s and the employee’s ESC rate.

**Contractual:** All contracts for professional services must include language binding the contract/professional services agreement to the NPR-A grant agreement. **See the Contract Checklist at the back of this handbook.**

**Travel:** If the budget includes a cost category for travel the following stipulations will apply: Grant funds will be used to pay for transportation costs by the most direct route and efficient means. The Grants Administrator must approve in advance the use of business or first class accommodations. Approval is subject to the determination that tourist class

## **SPECIFIC NPR-A BUDGET CONCERNS ~ *continued***

accommodations are not available or would cause a greater cost. It is expected that the Grantee will anticipate travel sufficiently in advance to procure discounted rates whenever possible. Grant funds may be used for ground transportation that is necessary to fulfill the grant project related objectives, such as car rental, taxis or buses. Grant funds may be used to pay for actual lodging costs. Additional hotel room expenses, such as telephone charges, will only be allowed if they are demonstrated to be related to the grant project. Grant funds may be used for actual meal and food costs, but no expenses for alcohol will be allowed. Requests for reimbursement for travel costs must be accompanied by a short trip report that states, at a minimum, the dates and times of travel, the traveler's name, the destination(s) and the purpose of travel to each destination.

## **RECORDKEEPING & REPORTING REQUIREMENTS**

The Grantee must establish and maintain separate accounting for the use of NPR-A grant funds. The use of NPR-A grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant.

The Grantee shall submit a NPR-A Financial and Progress Report Form each month during the life of the grant agreement. NPR-A Financial and Progress Report forms are due fifteen (15) days after the end of the month being reported. The original Financial and Progress Reports must be certified by an Authorized Signer (see page 8) and mailed to the Department. We cannot accept faxed copies.

*You must keep records of all the expenditures related to your NPR-A project and submit these to your Grant Administrator along with your Financial and Progress Report forms.* These records should include all invoices and bills along with proof of payment (copies of checks); copies of payroll records including signed timesheets, payroll checks and fringe benefit costs. These records should be kept separate from expenditures made for other projects or for normal business operations. **In no case will the Department process reimbursement requests from a NPR-A Grant Financial Report form unless the report is accompanied by a NPR-A Grant Progress Report Form that includes project details and activities during the reporting period.**

## ALLOWABLE COSTS

Any costs identified in the Grant Agreement under Scope of Work are generally allowable and can be submitted for reimbursement with NPR-A funds. If you are considering a purchase under your grant and you are not sure if it is allowable under your budget, ask your Grant Administrator *before* making the purchase. This way, you can avoid having any of your expenditures disallowed which would result in you, the Grantee, having to pay for them out of non-grant funds.

## ALLOWABLE ADMINISTRATION COSTS

Administration costs may not exceed 5% for equipment purchase projects. Equipment includes the purchase or repair of *any* kind of equipment, including heavy equipment such as tractors, trucks, etc., as well as office equipment, playground equipment, etc.

No more than 10% of the total grant award may be reimbursed for administrative costs for projects involving land acquisition or planning, design, construction or repair of a facility.

The North Slope Borough has a federally recognized indirect cost rate of 21%.

Allowable administrative costs are those costs necessary to administer the grant project, including the following:

**Advertising:** When incurred for the recruitment of personnel, the procurement of goods and services, and for any other specific purposes necessary to meet the requirements of the grant-funded activity.

**Audits:** Preparation of a State Single Audit is allowable provided that the audit is performed in accordance with 2 AAC 45.010 Audit Requirements. Generally, the prorated cost for auditing this grant program only is allowable

**Insurance:** The cost of insurance required or approved and maintained by the Grantee, pursuant to the grant award (i.e., general liability insurance, workers' compensation, etc.)

**Materials & Supplies:** If necessary in administration of the grant (including freight charges), such as office supplies, postage, and rental or purchase of equipment.

**Office costs:** Prorated costs for communication services (telephone, mail, etc.) and rental (but not purchase) of office space (see Rental Costs below).

**Professional Services:** Administrative services performed under third-party contracts or agreements, including general legal services, accounting services and audit services.

## **ALLOWABLE ADMINISTRATION COSTS ~ continued**

**Program Management:** Reasonable costs of overall program management, oversight and coordination including wages, benefits and related costs.

**Rental Costs:** Rental costs for office space and equipment are allowable to the extent that the rates are reasonable based on such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition and value of the property leased. Rental costs are allowable only up to the amount that would be allowed had the Grantee continued to own the property.

**Staff salaries & fringe benefits:** Salaries and benefits for employees engaged in administration of the grant. Salaries and benefits must be based on payrolls documented in accordance with generally accepted practices of the Grantee and approved by a responsible official of the Grantee.

**Training:** The cost of training provided for employee development is allowable only with prior approval from the Department.

**Travel:** Travel costs incurred by employees for official business in carrying out the grant activity. This includes transportation, lodging, subsistence and incidental expenses. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-grant-sponsored activities. When submitting for travel reimbursement, remember the travel stipulation identified in your grant agreement:

**“Travel Stipulations: Grant funds will be used to pay for transportation costs by the most direct route and efficient means. The Grants Administrator must approve in advance the use of business or first class accommodations. Approval is subject to the determination that tourist class accommodations are not available or would cause a greater cost. It is expected that the Grantee will anticipate travel sufficiently in advance to procure discounted rates whenever possible. Grant funds may be used for ground transportation that is necessary to fulfill the grant project related objectives, such as car rental, taxis or buses. Grant funds may be used to pay for actual lodging costs. Additional hotel room expenses, such as telephone charges, will only be allowed if they are demonstrated to be related to the grant project. Grant funds may be used for actual meal and food costs, but no expenses for alcohol will be allowed. Requests for reimbursement for travel costs must be accompanied by a short trip report that states, at a minimum, the dates and times of travel, the traveler’s name, the destination(s) and the purpose of travel to each destination.”**

## **PAYMENT METHOD**

**COST REIMBURSABLE** – NPR-A grants are cost reimbursable. This means that you (the Grantee) pay for your expenditures out of your own funds. Then, when you submit your monthly requests for reimbursement and progress reports to your Grant Administrator, showing the expenditures which you have made during the month, we will process them for payment and you will be issued a check.

**Please be aware that we can not reimburse you for funds expended on a project prior to the date of the Governor's approval of the capital bill or an effective date as identified in the capital bill for your project.**

**Once your Grant Administrator receives a complete report from you and approves it for payment, our Fiscal Section has up to 30 days to issue the check.** The process does not usually take this long, however, it is important to realize that it can and sometimes does. If this delay will cause a hardship for you, there is an alternative identified below that may be authorized on a case by case basis.

**ADVANCES** - The Department may advance to the Grantee an amount **not to exceed a projected 30-day cash need or 20% of the grant amount**, whichever is less. Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form for approval that (1) justifies the need for the advance, (2) includes documentation of costs associated with the advance, and (3) provides a brief narrative on how the advance will be used. All advances will be recovered with the next Financial Reimbursement Request. Should earned payments during the term of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the recovered amount to the Department when requested to do so by the Department or at termination of the Grant Agreement.

The Department may make subsequent advances in a similar manner. Before doing so, however, the Grantee must be current in its submission of all Financial and Progress reporting.

**ELECTRONIC FUNDS TRANSFER** - Some Grantees may qualify for direct deposit of their reimbursement payments if their banking institution participates in the State Electronic Data Interchange (EDI) system. If you are interested in direct deposit, please contact your Grant Administrator. We will work with our Fiscal Section to determine if this option is available to you.

## **GRANT CLOSE-OUT**

### **CLOSE-OUT LETTER/AMENDMENT**

The final act of your grant will be the close-out. Grants are usually closed out by mutual agreement after the project has been completed in compliance with the Grant Agreement and all of the funds are expended, accounted for and reimbursed. After you have submitted your final Financial Report, your Grant Administrator will notify you by letter and with a formal Close-Out Amendment Form when your Grant Agreement has been officially closed. Please retain your grant files for at least six years from the close-out effective date.

### **AUDIT REQUIREMENTS**

Grantees must comply with the audit requirements established by U.S. Office of Management and Budget Circular A-133, set forth in Appendix A of the Grant Agreement.

#### **Where do I submit the audit report?**

Alaska Department of Administration  
Division of Finance  
Single Audit Coordinator  
PO Box 110204  
Juneau, AK 99811-0204

Phone: (907) 465-4666

Fax: (907) 465-2169

[Single.Audit@alaska.gov](mailto:Single.Audit@alaska.gov)

## APPENDIX

### **NPR-A Report Forms Packet**

Financial Report Form

Progress Report Form

### **Procurement Standards**

Small Procurements

Small Procurement Policy Matrix

Single Source Procurements

Procurement Standards for Architectural, Engineering and Land

Surveying Contracts

### **NPR-A Contract Checklist**

**Department of Commerce, Community, and Economic Development  
 Division of Community and Regional Affairs  
 NATIONAL PETROLEUM RESERVE- ALASKA (NPR-A) GRANT PROGRAM  
 FINANCIAL REPORT AND REQUEST FOR REIMBURSEMENT**

<b>Grantee:</b>	<b>Grant Number:</b>
<b>Project Title:</b>	<b>Report Number:</b>
	<b>Report Period:</b> <i>From: _____ To: _____</i>

*Note: Financial Report/Request for Reimbursement must be accompanied by Progress Report.*

Cost Category	Authorized Budget	Grant Expenditures This Period	Total Grant Expenditures To Date	Balance of Grant Funds
<b>Total This Report</b>				

<b>Current Advance Balance (if any)</b>			
<b>Total Grant Expenditures This Period</b>		<b>Total Grant Award</b>	
<b>LESS Advance Recovered This Period (if any) -</b>		<b>LESS Total Grant Expenditures to Date -</b>	
<b>NET REIMBURSEMENT TO GRANTEE =</b>		<b>LESS Unrecovered Advance Balance (if any) -</b>	
<b>Advance Balance Remaining (if any)</b>		<b>TOTAL Grant Funds Remaining =</b>	

*Grantee Certification: I certify that the above information is true and correct, and that expenditures have been made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.*

\_\_\_\_\_  
**Authorized Signature** Date

\_\_\_\_\_  
**Name and Title**

<b>DCCED STAFF USE</b>	
<b>Encumbrance #:</b>	_____
<b>Payment Amount:</b>	_____
<b>GA Approval:</b>	
_____	
<b>DCCED Signature</b>	<b>Date</b>
_____	_____

**Department of Commerce, Community, and Economic Development**  
**Division of Community and Regional Affairs**  
**NATIONAL PETROLEUM RESERVE-ALASKA (NPR-A) GRANT PROGRAM**  
**PROGRESS REPORT**

<b>Grantee:</b>	<b>Grant Number:</b>
<b>Project Title:</b>	<b>Report Number:</b>
	<b>Report Period:</b> <i>From:</i> _____ <i>To:</i> _____

**REPORT ON PROJECT ACTIVITIES:**

Describe activities which have occurred during this report period and explain the overall status of the project. Identify any problem areas you may be experiencing and/or explain any delays that may require an extension to the grant term. For those periods when no activity has occurred, specify reason(s) along with details on when the project is expected to commence. Attach additional pages if necessary.

## PROCUREMENT STANDARDS

Alaska Statutes Title 36 – Public Contracts, Chapter 30 – State Procurement Code identifies the general standards of procurement for NPR-A Grantees. Provisions and standards of AS 36.30 are summarized below:

- Grantees may utilize their own written procurement procedures, provided they reflect applicable state and local laws and regulations and conform to the standards identified in AS 36.30.
- The Grantee shall award a contract based on solicited bids to the lowest responsive and responsible bidder after an Alaska **bidder preference** of five percent, an Alaska products preference as described in AS 36.30.322-338, and a recycled products preference under AS 36.30.337 have been applied.
- The Grantee shall give **adequate public notice** of the invitation to bid. The invitation to bid must include a time, place, and date by which the bid must be received, purchase description, and a description of all contractual terms and conditions applicable to the procurement. Notice shall be posted on the Alaska Online Public System.
- Quotes or informal proposals must be solicited from **Alaskan vendors** prior to soliciting non-Alaskan vendors, unless the awarding agency approves in writing the Grantee's determination that soliciting quotes from Alaskan vendors is not practicable.
- An **informal request for proposals** may be a letter describing the work to be performed or a telephone call that accomplishes the same purpose. The Grantee should prepare an outline of requirements before placing any calls to ensure that the same information is provided to all prospective bidders. Keep a record of those whom you call and their responses. A **quote** is an informal bid. Award is made to the lowest, responsive and responsible bidder. An informal proposal differs in that price is only one of the factors considered in evaluation.
- Grantees may select from the following procurement methods, as appropriate, or use equivalent local methods:
  - **Competitive Sealed Bids:** Except as otherwise provided in this chapter, or unless specifically exempted by law, an agency contract shall be awarded by competitive sealed bidding. Through formal advertising, sealed bids are publicly solicited and a firm-fixed price contract is awarded to the responsive bidder whose bid, conforming with all material terms and conditions of the invitation for bids, is the lowest in price.
  - **Competitive Sealed Proposals:** If it is not practicable or advantageous to the state to procure specific types of supplies, services, or construction by competitive sealed bidding, a contract may be entered into by competitive sealed proposals. Proposals are solicited from a number of sources and a request for proposals is published. A contract awarded under this section must contain the elements identified in AS 36.30.260.
  - **Small Purchase Procedures:** A procurement for supplies, services or professional services that does not exceed an aggregate dollar amount of \$50,000, construction that does not exceed an aggregate dollar amount of \$100,000, or lease of space that does not exceed 3,000 square feet may be made in accordance with this section. Small procurements need not be made through competitive sealed bidding or competitive sealed proposals but shall be made with competition that is practicable under the circumstances.
  - **Single Source Procurement:** A contract may be awarded under this section for supplies, services, professional services, or construction when the awarding agency determines in writing that it is not practicable to award a contract by competitive sealed bidding under AS 36.30.100, competitive sealed proposals under AS 36.30.200, or limited competition under AS 36.30.305; and award of the contract under this section is in the state's best interest.
- The Grantee shall **evaluate bids** based on the requirements set out in the invitation to bid, which may include criteria to determine acceptability such as inspection, testing, quality, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award must be objectively measurable. The invitation to bid must set out the evaluation criteria to be used.

## STATE PROCUREMENT STANDARDS Per AS 36.30.100 – 36.30.270

- Except as otherwise provided in this chapter, or unless specifically exempted by law, contracts shall be awarded by **competitive sealed bidding**.
- The Grantee shall give **adequate public notice** of the invitation to bid at least 21 days before the date for the opening of the bids. The **invitation to bid** must include a time, place, and date by which the bid must be received, purchase description, and a description of all contractual terms and conditions applicable to the procurement. Notice shall be posted on the Alaska Online Public System (AS 44.62.175).
- The Grantee shall **evaluate bids** based on the requirements set out in the invitation to bid, which may include criteria to determine acceptability such as inspection, testing, quality, delivery, and suitability for a particular purpose. The criteria that will affect the bid price and be considered in evaluation for award must be objectively measurable, such as discounts, transportation costs, and total or life cycle costs. The invitation to bid must set out the evaluation criteria to be used. Criteria may not be used in bid evaluation if they are not set out in the invitation to bid.
- The Grantee shall **award a contract** based on solicited bids to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent, an Alaska products preference as described in AS 36.30.322 – 36.30-338, and a recycled products preference under AS 36.30.337 have been applied.
- An “**Alaska bidder**” means a person who (1) holds a current Alaska business license; (2) submits a bid for goods, services, or construction under the name as appearing on the person’s current Alaska business license; (3) has maintained a place of business within the state staffed by the bidder or an employee of the bidder for a period of six months immediately preceding the date of the bid; (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and (5) if a joint venture, is composed entirely of ventures that qualify under (1) – (4) of this subsection.
- The **purpose of bidder preference** for resident firms is to encourage local industry, strengthen and stabilize the economy, decrease unemployment, and strengthen the tax and revenue base of the state.

*The City/Borough may follow its own written procurement policy provided that it is at least as restrictive as the State policy.*

**STATE PROCUREMENT STANDARDS**  
**Small Procurements**  
**Per AS 36.30.320**

- Small procurements **need not be made through competitive sealed bidding** or competitive sealed proposals but shall be made with competition that is practicable under the circumstances.
- Procurement requirements may not be **artificially divided or fragmented** so as to avoid a higher level of competition.
- A procurement for supplies, services or professional services that **does not exceed** an aggregate dollar amount of **\$50,000**, construction that does not exceed an aggregate dollar amount of \$100,000, or lease of space that does not exceed 3,000 square feet may be made in accordance with regulations adopted for small procurements.
- Procurements between **\$5,001 and \$25,000** require that at least three firms or persons be contacted for a quotation or informal proposal. The solicitation and responses may be either written or verbal. Notice of award may also be written or verbal.
- Procurements between **\$25,001 and \$50,000** require that at least three firms or persons be contacted for a quotation or informal proposal. The solicitation and responses must be in writing. Written notice of award is sent to all vendors who provided a quote or informal proposal.
- A **quote** is an informal bid. Award is to be made to the lowest, responsive and responsible bidder. An **informal proposal** differs in that price is only one of the factors considered in evaluation.
- **Protest** procedures under 2 AAC 12.695 apply regarding the award method used.
- An **informal** request for proposals may be a letter describing the work to be performed or a telephone call that accomplishes the same purpose. The Grantee should prepare an outline of requirements before placing any calls to ensure that the same information is provided to all prospective bidders. The Grantee should keep a record of those called and their responses.
- Postings in **electronic media** may satisfy the competitive solicitation requirement and notice of award requirement.
- Quote(s) or informal proposal(s) must be solicited from Alaskan vendors prior to soliciting **non-Alaskan vendors**, unless the awarding agency approves in writing the Grantee's determination that soliciting quotes from Alaskan vendors is not practicable. A written determination must be included in the Grantee's procurement file if a contract is awarded to a non-resident. (AS 36.30.362)

**STATE SMALL PROCUREMENT POLICY  
FOR SUPPLIES, SERVICES & PROFESSIONAL SERVICES**

PRICE OF PROCUREMENT:	MINIMUM COMPETITION REQUIRED:	PUBLIC NOTICE REQUIREMENT:	AWARD METHOD:
<p><b>\$5,000 or less</b> AS 36.30.320 &amp; 2 AAC 12.400(a)-(b)</p>	<p>One quote or direct purchase.</p>	<p>No minimum requirement.</p>	<p>Select the low quote or most advantageous proposal.</p>
<p><b>\$5,001 to \$25,000</b> 2 AAC 12.400(c)</p>	<p>At least three firms or persons shall be contacted for a quotation or informal proposal. The solicitation and responses may be either written or verbal.</p>	<p>Public notice of solicitation occurs when vendor is contacted for quote or informal proposal.  Verbal notice of award provided if contacted by vendors.</p>	<p>Award in accordance with the specifications and award criteria in the solicitation to the responsive and responsible offer providing the low quote or most advantageous informal proposal.</p>
<p><b>\$25,001 to \$50,000</b> 2 AAC 12.400(d)</p>	<p>At least three firms or persons shall be contacted for a quotation or informal proposal. The solicitation and responses must be in writing.</p>	<p>Written notice of award is sent to all vendors who provided a quote or informal proposal.</p>	<p>Same as above except that notice of award must be in writing to all vendors who responded to solicitation.</p>

Keep in procurement file: (1) **\$5000 or less**: Identify agency official responsible for the purchase of supply or service acquired, vendor's name and price, copy of contract and any amendments; (2) **\$5001+**: identify person who made the solicitation, the specifications, award criteria, solicitation date, date & time responses due, names of vendors contacted, summary of verbal responses, copies of all quotes or informal proposals received & justification for award, copy of contract and amendments; (3) **\$25,001+**: a copy of the solicitation, names of the vendors contacted, copies of all written proposals received, notice of award & justification, copy of contract and any amendments.

**STATE PROCUREMENT STANDARDS**  
**Single Source Procurements**  
**Per AS 36.30.300**

- A contract may be awarded for supplies, services, professional services, or construction without competitive sealed bidding, competitive sealed proposals, or other competition in accordance with regulations adopted by the commissioner (Department of Administration).
- A contract may be awarded under this section only when the awarding agency determines in writing that (1) it is not practicable to award a contract by competitive sealed bidding under AS 36.30.100, competitive sealed proposals under AS 36.30.200, or limited competition under AS 36.30.305; and (2) award of the contract under this section is in the state's best interest.
- The Grantee shall submit written evidence to support a request for a single source procurement. The awarding agency may also require the submission of cost or pricing data in connection with an award under this section.
- Procurement requirements may not be aggregated or structures so as to constitute a purchase under this section or to circumvent the source selection procedures required by AS 36.30.100 – 36.30.270.

**Directions for Grantee to request approval of a sole source contract:**

The Grantee must confirm in writing that their procurement meets the requirements per AS 36.30.300 (see above). The request for approval of a sole source contract must include a written response to the following questions and be submitted to their Grants Administrator:

1. How was it determined that it was not practicable to award a contract by competitive sealed bidding under AS 36.30.100, competitive sealed proposals under AS 36.30.200, or limited competition under AS 36.30.305? Provide cost or pricing data to justify your claim.
2. How was it determined that award of the sole source contract was in the state's best interest?
3. Identify the City/Borough procurement policy for contracts of this size.

**STATE PROCUREMENT STANDARDS**  
**AS 36.30.270 – Architectural, Engineering and Land Surveying Contracts**

- Notwithstanding conflicting provisions of AS 36.30.100 - 36.30.260, the Grantee shall negotiate a contract for an agency with the **most qualified and suitable firm** or person of demonstrated competence for architectural, engineering or land surveying services.
- The Grantee shall award a contract for those services at **fair and reasonable compensation** after consideration of the estimated value of the services to be rendered and the scope, complexity and professional nature of the services.
- When determining the most qualified and suitable firm or person, the Grantee shall consider the (1) **proximity** to the project site of the office of the firm or person unless federal law prohibits this factor from being considered in the awarding of the contract; and (2) **employment practices** of the firm or person with regard to women and minorities.
- If negotiations with the most qualified and suitable firm or person are not successful, the Grantee shall negotiate a contract with other qualified firms or persons of demonstrated competence, in order of public ranking. The Grantee may reject all or part of a proposal.
- The Grantee may include **price** as an added factor in selecting architectural, engineering and land surveying services when, in the judgment of the Grantee, the services required are repetitious in nature and the scope, nature and amount of services required are thoroughly defined by measurable and objective standards to reasonably enable firms or persons making proposals to compete with a clear understanding and interpretation of the services required.
- In order to include price as a factor in selection, a majority of the persons involved in evaluation of the proposals must be registered in the state to perform architectural, engineering or land surveying services.
- This section does not apply to a contract that incorporates both design services and construction.

## CONTRACT CHECKLIST

[For Contract / Professional Services Agreement between Grantee & an identified contractor or consultant](#)

At a minimum, the following elements must be included in the contract:

1. Reference to the NPR-A grant program with **Grant #**
2. **Project title**
3. Business **name** of consultant
4. **Term** of the agreement (should be within term of the grant)
5. **Total compensation** - ensure it is no more than agreed upon
6. **EEO** statement regarding discrimination in the General Provisions
7. Consultant statement agreeing to comply with all applicable federal, state and local **laws and regulations**
8. Verification of insurance clause requiring consultant to provide **certificate of insurance** to the Grantee
9. **Indemnity** clause (holds the Grantee, Department & State of Alaska harmless)
10. **Notice to Proceed** clause (any work done by consultant prior to Notice is at consultant's own expense)
11. **Ownership of Documents** clause (products remain property of the Grantee)
12. **Termination** clause (when/how the Grantee can terminate or suspend the agreement)
13. **Law and Venue** clause (governed by the State of Alaska; venue in the Superior Court in Barrow, Alaska)
14. **Scope of Services** exhibit (ensure it doesn't differ significantly than what was previously approved)
15. **Fixed Rate** exhibit including Compensation, Reimbursables (usually phone, fax, travel, postage, copying, printing) and Manner of Payment
16. **Special Conditions** exhibit – [This should include language binding the agreement to this NPR-A grant and other provisions of Attachment C highlighted below \(if not specified elsewhere in the contract\).](#)

### Also, contracts for the preparation of a plan must:

- include the **acknowledgment** statement “This study was produced with National Petroleum Reserve-Alaska grant funds made available through the State of Alaska Department of Commerce, Community and Economic Development.”
- specify the requirement that **two hard copies and a disk** with an electronic copy of the plan will be submitted to the Grantee (who in turn will submit to the Department prior to close out)

**Prior Approval:** According to Attachment C, Standard Provisions, Article 13, Obligations Regarding Third-Party Relationships, none of the work specified in the NPR-A Grant Agreement shall be contracted by the Grantee without prior approval of the Department.

The Grantee should submit a written request to their DCCED Grants Administrator for approval. The request should identify the NPR-A grant title/#, contract purpose/scope of work, consultant name and total cost. The request may accompany a draft contract which includes the elements noted on page 1 of this document. **IMPORTANT:** The request should clearly **explain how the proposed activity satisfies the program requirement of mitigating impacts from NPR-A oil/gas exploration and development.**

The Grantee will be notified in writing if the contract is approved or if additional justification or clarification is needed. **The Grantee should send a copy of the executed contract when available for the grant file.**

## **Attachment C Standard Provisions**

### **Article 1. Definition**

“Department” refers to the Department of Commerce, Community and Economic Development with the State of Alaska.

### **Article 2. Indemnification**

It is understood and agreed that this Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of the Grant Agreement.

The Grantee, its successors and assigns, will protect, save, and hold harmless the Department and the State of Alaska and their authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever by reason of the acts or omissions of the Grantee, its subcontractors, assigns, agents, contractors, licenses, invitees, employees or any person whomever arising out of or in connection with any acts or activities authorized by this Grant Agreement. The Grantee further agrees to defend the Department and the State of Alaska and their authorized agents and employees in any litigation, including payment of any costs or attorney’s fees for any claims or actions commenced thereon arising out of or in connection with acts or activities authorized by this Grant Agreement. This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the Department of the State of Alaska or their authorized agents or employees, provided, that if the claims or damages are caused by or result from the concurrent negligence of (a) the Department and the State of Alaska and their agents or employees, and (b) the Grantee, its agents or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Grantee, or Grantee’s agents or employees.

### **Article 3. Legal Authority**

The Grantee certifies that it possesses legal authority to accept grant funds under the State of Alaska and to execute the project described in this Grant Agreement by signing the Grant Agreement document. The Grantee’s relation to the Department and the State of Alaska shall be at all times as an independent Grantee.

### **Article 4. Waivers**

No conditions or provisions of this Grant Agreement can be waived unless approved by the Department in writing. The Department’s failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

### **Article 5. Access to Records**

The Department and duly authorized officials of the State of Alaska shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, **and of persons or organizations with which the Grantee may contract**, involving transactions related to the project and this Grant Agreement.

### **Article 6. Reports**

The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement, including the final close-out report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

**Article 7. Retention of Records**

The Grantee shall retain financial and other records relating to the performance of this Grant Agreement for a period of six years from the date when the final financial status report is submitted to the Department, or until final resolution of any audit findings, claims, or litigation related to the grant.

**Article 8. Assignability**

The Grantee shall not assign any interest in this Grant Agreement and shall not transfer any interest in the same (whether by assignment or notation).

**Article 9. Financial Management and Accounting**

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles.

**Article 10. Program Income**

Program income earned during the award period shall be retained by the Grantee and added to the funds committed to the award and used for the purpose and under the conditions applicable to the use of award funds.

**Article 11. Amendments and Modifications**

The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee.

**Article 12. Recordkeeping**

The Grantee agrees to keep such records as the Department may require. Such records will include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. They will also include information pertaining to project performance and efforts to comply with the provisions of the Grant Agreement.

**Article 13. Obligations Regarding Third-Party Relationships**

None of the work specified in this Grant Agreement shall be contracted by the Grantee without prior approval of the Department. No permission for subcontracting shall create, between the Department or the State of Alaska and the subcontractor, any contract or any relationship.

The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts.

**Article 14. Conflict of Interest**

No officer or employee of the Department; no member, officer or employee of the Grantee or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Grant Agreement.

The Grantee shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

**Article 15. Political Activity**

No portion of the funds provided hereunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

**Article 16. Notices**

The Grantee shall comply with all public notices or notices to individuals required by applicable state and federal laws and shall maintain a record of this compliance.

**Article 17. Prohibition Against Payment of Bonus or Commission**

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this contract provided, however, that reasonable fees of bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**Article 18. Termination by Mutual Agreement**

This Grant Agreement may be terminated, in whole or in part, prior to the completion of contract project activities when both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required under State and/or Federal law. The parties must agree on the termination conditions, including effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Department shall make funds available to the Grantee to pay for allowable expenses incurred before the effective date of termination.

**Article 19. Termination for Cause**

If the Grantee fails to comply with the terms of this Grant Agreement, or fails to use the grant for only those purposes set forth herein, the Department may take the following actions:

- A. Suspension – After notice in writing by certified mail to the Grantee, suspend the grant and withhold any further payment or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate. Response must be received within fifteen (15) days of receipt of the written notice.
- B. Termination – Terminate the grant in whole or in part, at any time before the final grant payment is made. The Department shall promptly notify the Grantee in writing of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the Grantee or recoveries by the Department shall be in accordance with the legal rights and liabilities of the parties.

**Article 20. Withdrawal of Funds**

In the event funding from the state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the Department may terminate the agreement, reduce funding, or re-negotiate subject to those new funding limitations and conditions. A termination under this article shall be implemented under the same conditions as a termination under Article 19 of this Attachment.

**Article 21. Recovery of Funds**

In the event of a default or violation of the terms of the Grant Agreement by the Grantee, the Department may institute actions to recover all or part of the project funds paid to the Grantee. Repayment by the Grantee of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the Department by this agreement or any other instrument or agreement are cumulative, not exclusive, and may be exercised concurrently or consecutively at the Department's option.

**Article 22. Disputes**

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement that is not disposed of by mutual agreement shall be decided by the Department, which shall reduce its decision to writing and mail, or otherwise furnish a copy thereof, to the Grantee. The decision of the Department shall be final and conclusive.

This "Disputes" clause does not preclude the consideration of questions of law in connection with the decision provided for in the preceding paragraph provided that nothing in the Grant Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

**Article 23. Jurisdiction**

This Grant Agreement shall be governed by the laws and statutes of the State of Alaska. The venue of any suit hereunder may be in the Superior Court for the First Judicial District, Juneau, Alaska.

**Article 24. Ownership of Project/Capital Facilities**

The Department makes no claim to any capital facilities or real property improved or constructed with funds under this Grant Agreement and, by this grant of funds, does not and will not acquire any ownership interest or title to such property of the Grantee. The Grantee shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the Department and the State of Alaska harmless from any and all causes of action arising from the ownership and operation of the project.

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance. In addition, the Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the

budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor or subcontractor.

**Article 31. Public Purposes**

The Grantee agrees that the project to which this Grant Agreement relates shall be dedicated to public purposes for its useful life. The benefits of the project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

If the Grantee is a non-municipal entity and if monies appropriated under this grant constitute the sole or principal funding source for the acquisition of equipment or facilities, the Grantee agrees that in the event a municipal corporation is formed which possesses the power and jurisdiction to provide for such equipment or facilities, the Grantee shall offer, without compensation, to transfer ownership of such equipment or facilities to the municipal corporation.

If the Grantee is a non-profit corporation that dissolves, the assets and liabilities from the grant project are to be distributed according to statutory law, AS 10.20.290-10.20.452.

**Article 32. Operation and Maintenance**

Throughout the life of the project, the Grantee shall be responsible for the operation and maintenance of any facility, equipment, or other items acquired under this grant.

**Article 33. Assurance**

The Grantee shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement.

**Article 34. Current Prevailing Rates of Wage**

Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS. To the extent that such provisions apply to the project which is the subject of this Grant Agreement, the Grantee shall pay the current prevailing rates of wage to employees as required by AS 36.05.010. The Grantee also shall require any contractor to pay the current prevailing rates of wage as required by AS 36.05.010.

**Article 35. Severability**

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the contract agreement which can be given effect without the invalid provision.

**Article 36. Performance**

The Department's failure to insist upon the strict performance of any provision of the Grant Agreement or to exercise any right based upon breach thereof or the acceptance of any performance during such breach, shall not constitute a waiver of any rights under this Grant Agreement.

**Article 37. Sovereign Immunity**

If the Grantee is an entity which possesses sovereign immunity, it is a requirement of this grant that the Grantee irrevocably waive its sovereign immunity with respect to state enforcement of this Grant Agreement. The waiver of sovereign immunity, effected by resolution of the entity's governing body, is herein incorporated into this Grant Agreement.

**Article 38. Audit Requirements**

The Grantee shall comply with the audit guidelines under U.S. Office of Management and Budget Circular A-133.

**Article 39. Close-Out**

The Department will advise the Grantee to initiate close-out procedures when the Department determines, in consultation with the Grantee, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

- A. All costs to be paid with grant funds have been incurred with the exception of close-out costs and any unsettled third-party claims against the Grantee. Costs are incurred when goods and services are received or contract work is performed.
- B. The last required performance report has been submitted. The Grantee's failure to submit a report will not preclude the Department from effecting close-out if it is deemed to be in the State's interest. Any excess grant amount that may be in the Grantee's possession shall be returned by the Grantee in the event of the Grantee's failure to finish or update the report.
- C. Other responsibilities of the Grantee under this Grant Agreement and any close-out agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further State interest in keeping the grant open for the purpose of securing performance.

**Article 40. Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities. Title I of the ADA prohibits discrimination against persons with disabilities in employment and provides that a reasonable accommodation be provided for applicants and employees. Title II of the Act prohibits public agencies from discriminating against individuals with disabilities in the provision of services, programs, or activities. Reasonable accommodation must be made to ensure or allow access to all services, programs, or activities. This section of the Act includes physical access to public facilities and requires that public entities must, if necessary, make modifications to their facilities to remove physical barriers to ensure access by persons with disabilities. All new construction must also be accessible to persons with disabilities. A public entity's subgrantees or contractors must also comply with the ADA provisions. Grantees are responsible for assuring their compliance with the ADA.

**Article 41. Procurement**

Grantees may utilize their own written procurement procedures, provided they reflect applicable federal, state and local laws and regulations.