

S B

2 2 2

Original sponsors: Sackett, Fahrenkamp,  
Parr and Bennett

Offered: 3/18/81  
Referred: Finance

Funding Information

General Fund \$500,000  
Other Funds -0-  
\$500,000

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE BILL NO. 222 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Transportation and Public Facilities for  
8 engineering and design of bridges and roads in the  
9 Nenana agricultural area; and providing for an effec-  
10 tive date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 \* Section 1. The sum of \$500,000 is appropriated from the general fund  
13 to the Department of Transportation and Public Facilities for engineering  
14 and design of bridges and roads in the Nenana agricultural area.

*Payment as a grant to the City of Nenana for*

15 \* Sec. 2. The appropriation made by this Act shall be disbursed in  
16 accordance with AS 35.15.080 and 35.15.090.

17 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).

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# Alaska Transportation Consultants, Inc.

PLANNERS & ENGINEERS

212 WEDGEWOOD DRIVE · SUITE C · FAIRBANKS, ALASKA 99701 · (907) 456-1967

March 2, 1981

The Honorable John B. Coghill  
Mayor of the City of Nenana  
City Hall  
Nenana, Alaska

Dear Mayor:

We are pleased to have had the opportunity to work with you in the development of the agricultural potential within the Nenana area. I believe that your effort has proven exemplary and you have demonstrated that projects such as these can be fast-tracked and still be accountable to all concerned.

We are confident that you now wish to proceed as fast as practicable in completing this project. Bridge construction is a key element in staying with an accelerated schedule. It will be necessary to have it under construction next winter to take advantage of the winter ice for construction purposes. Roadways should be under construction as soon as possible to provide access during the 1982 growing season.

The next phase of this work is the design of the bridges and roadways. We have given this phase serious thought and of course would like to participate in it. Alaska Transportation Consultants, Inc. (ATC), Henningson, Durham & Richardson (HDR), and Kaljenco, Inc. are prepared to do this work as a joint effort. Within this team, Alaska Transportation Consultants, Inc. would be responsible for the overall project and would work with Kaljenco to develop a final road design and with HDR to develop a final bridge design. Kaljenco would be doing design surveying. Because each of these firms have intimate knowledge of the proposed project it is possible for us to provide design services at approximately three percent (3%) of the anticipated construction cost. This works out to be approximately \$519,000 and would result in a final design package that is ready for advertising and has the approval of both the client (City of Nenana) and the State Department of Transportation and Public Facilities.

Given an early notice to proceed our joint effort would have the roadway ready to advertise by the middle of July and the bridge by early September.

We would be pleased to discuss this matter with you further and to provide you with additional details regarding our proposal.

Sincerely,

*Francis W. Engle*

Francis W. Engle, P.E.  
Vice President  
Alaska Transportation Consultants, Inc.

FWE-1vb

FEE BY ACTIVITY

	<u>Estimated Construction</u>	<u>Design Fee</u>
STRUCTURES	\$5,354,700	\$ 189,000
1 Major (600')		
2 Minor (Less than 100')		
ROADWAY	\$9,965,000	\$ 160,000
(Approximately 37 miles)		
DESIGN SURVEYS		\$ 123,000
	_____	_____
SUB TOTAL	\$15,319,700	\$ 472,000
ROW	\$ 30,000	\$ -0-
CONTINGENCY	<u>\$ 1,840,000</u>	<u>\$ 47,000</u>
	\$17,190,000	\$ 519,000

II. FISCAL DETAIL

Agency Affected DOT/PF  
 Program Category Affected Highways and Design & Construction  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY82	FY83	FY84	FY 85	FY86
100 PERSONAL SERVICES		500.0				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		500.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This amount is sufficient according to City of Nenana

IV. DATE 3/23/81 PREPARED BY Dave Truax  
 AGENCY Planning & Programming  
 PHONE 479-4284  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

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PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
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# City of Nenana

State of Alaska

April 2, 1981

*Alison  
Put in my  
Business file*

The Honorable Terry Gardiner  
House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Gardiner:

Thank you for your letter dated March 30, 1981. Some background to Contract AG-103 is necessary.

The legislature appropriated \$500,000.00 to "the Office of the Governor, special projects office, to be administered in conjunction with the Totchaket Development Corporation for development of the Totchaket agricultural project." 1980 SLA Ch.50, §281.

The Attorney General's Office determined that to the extent the legislature had appropriated money to a private corporation, the appropriation was illegal. The Special Projects Office has instead administered the appropriation through the City of Nenana. The City has contracted with the special projects office for the following services

- AG-101    Transportation system
- AG-102    Livestock Feasibility
- AG-103    Vegetable Feasibility
- AG-104    Wood Fiber Harvest
- AG-105    Land Use Planning
- AG-106    Road right of way clearing
- AG-107    Bridge site and right of way corings.

The City has performed or arranged for performance of all of the contracts but AG-104 and AG-105 through subcontractors. Gene Whiting, d/b/a Little Goldstream Associates, is the subcontractor for AG-103.

Enclosed with this letter is a copy of the contract between the City and the Special Projects Office and a copy of the contract between Little Goldstream Associates and the City.



Terry Gardiner  
April 2, 1981  
Page Two

The City has serious reservations about Little Goldstream's performance of its contract with the City. The City has requested Little Goldstream take steps to make the final report meet the contract specifications and the terms of Little Goldstream's proposal to the City.

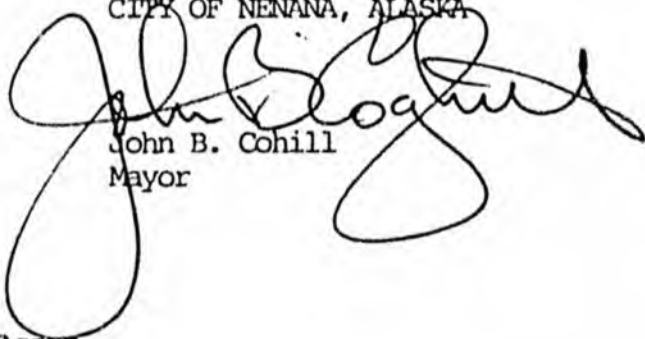
Bob Palmer, of the Special Projects Office, apparently has written Little Goldstream and advised them, in qualified language, that the technical requirements of the State have been met. A copy of that letter is enclosed. The City received that copy on March 27, 1981. The City had not been advised earlier that the report conformed to its contract with the State, and still has not been formally advised of the State's acceptance.

As Mr. Palmer noted, the report must also conform to the City's contract with Little Goldstream. The City has offered Little Goldstream additional time within which to modify the report; see my letter dated March 17 to Little Goldstream, also enclosed. Your letter is the only response to that offer that the City has received. I believe that letter will convey to you the City's concerns and requirements.

Mr. Whiting of Little Goldstream has retained an attorney and has stated to several persons he is considering legal action. Under those circumstances, the City Attorney has instructed city officials not discuss this matter except to the extent it is in the public record. Thus, I cannot respond further to the allegations contained in Mr. Whiting's letter, except to direct you to the materials contained in the file at the Special Projects Office.

Sincerely yours,

CITY OF NENANA, ALASKA



John B. Cohill  
Mayor

cc: W.I. Palmer  
Little Goldstream Assoc.  
Call, DeWitt & Barrett



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
Fred F. Zharoff, Co-Chairman  
465-3715

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 30, 1981

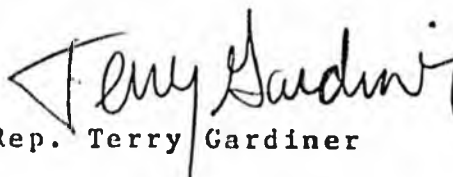
John Coghill  
Mayor, City of Nenana  
Nenana, Alaska 99760

Dear Mayor Coghill:

Attached is a letter from Gene Whiting of Little Goldstream Associates, the party contracted to complete a report on the feasibility of a vegetable industry located at the proposed Nenana-Totchaket agricultural development site. I understand that Bob Palmer of the Governor's Special Projects Office has accepted the vegetable industry report as completed by Little Goldstream Associates on its technical merits. I also understand that the Totchaket Development Corporation has not accepted the report, and subsequently has refused payment for the report.

Please convey to me the reasons why the "Vegetable Industry Report", contract # AG-103 is found unacceptable by the Corporation and why payment is being withheld.

Sincerely,

  
Rep. Terry Gardiner

# Little Goldstream Associates

Rt. 1, Mile 314½ Parks Highway  
Nenana, Alaska 99760

Phone (907) 789-2455

3031 Riverwood Drive  
Juneau, Alaska 99803

March 26, 1981

The Honorable Terry Gardiner  
Chairman, House Resources Committee  
State House of Representatives  
Juneau, Alaska 99811

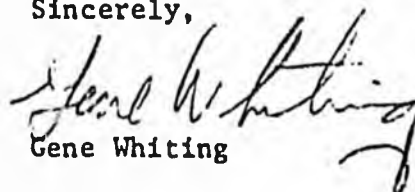
Dear Representative Gardiner:

Little Goldstream Associates recently completed the Vegetable Industry Report for the Totchaket Development Corporation and the Governor's Office of Special Projects. The report has been approved by the Office of Special Projects and payment has been made to the contractor, i.e., the City of Nenana. However, in direct violation of the contract, payment has not been forthcoming to the subcontractor, Little Goldstream Associates. Normally, this would be of no concern to any legislative body, but since the report is a factor in determining the recommendations of the House Resources Committee, the nature of the conflict adds context to the body of the study. The latest correspondence (dated March 17) from the City of Nenana includes the following paragraph: "Be assured that the City of Nenana is seeking through AG-103 a final report that provides the City with a long-term program for the development of a 'feasible vegetable industry' utilizing the extensive class II soils at Nenana-Totchaket." Little Goldstream Associates cannot supply this. While small plots may be desirable for social and political reasons, we cannot demonstrate their "economic feasibility" as vegetable farms under the conditions of new lands settlement/development.

In addition to this basic conflict between expectations and conclusions is a larger consideration. There is no overall State agricultural policy that allows for adequate preliminary studies and subsequent orderly land development. While I stand 100 percent behind Little Goldstream Associates' data and conclusions, there is no doubt that form and style have suffered somewhat by the incredibly compressed schedule imposed to promote funding of a regional enterprise. Like all State agricultural projects, the time constraints are so severe as to prevent rational development of the existing resources as well as the agricultural potential. A more appropriate approach to the vegetable industry in Alaska as a whole is included in my testimony submitted to the House Resources Committee on March 9.

I would appreciate any support that you may deem appropriate in the matter of the State funds being held by the City of Nenana.

Sincerely,

  
Gene Whiting



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 25, 1981

Mr. Gene Whiting  
Little Goldstream Associates  
3031 Riverview Drive  
Juneau, Alaska 99760

Dear Mr. Whiting:

In response to your request for a letter from the Special Projects Office with regard to AG-103, the vegetable study, I will commit the following to writing:

In my judgment, the report submitted by Little Goldstream Associates does meet the technical requirements of the contract between the City of Nenana and the Special Projects Office.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. I. Palmer".

W. I. "Bob" Palmer  
Special Projects Coordinator

cc: The Honorable John Coghill  
Mayor of Nenana

RECEIVED MAR 27 1981



# City of Nenana

State of Alaska

March 17, 1981

Mr. Gene Whiting  
Little Goldstream Associates  
3031 Riverview Drive  
Juneau, Alaska 99760

Rt. 1, Mile 314.5, Parks Hwy.  
Nenana, Alaska 99760

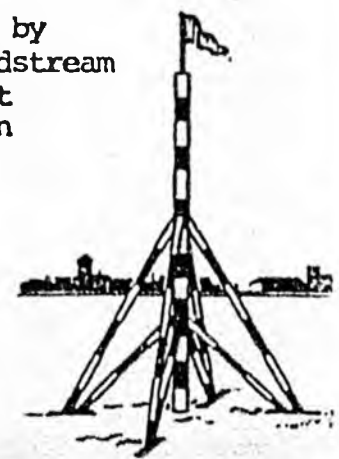
Re: Nenana Contract AG-103

Dear Mr. Whiting:

I have received and reviewed your letter of March 13, 1981 with interest. Since you imply that if more time had been available you might have been willing to rewrite portions of your report, we are willing to delay our pending termination of the subcontract between the City of Nenana and Little Goldstream Associates. We have requested and have today received approval from the Special Projects Office to extend the deadline for submittal of a final report on vegetable industry feasibility by the City of Nenana to the Special Projects Office from March 31 to July 31, 1981.

Therefore, we are prepared to extend the deadline for submittal of a final report to the City by your firm from February 15 to June 15, 1981 subject, however, to the following conditions:

1. That the content of the final report will be reorganized under topic headings A.1 through A.7 of Appendix B of the contract between the City of Nenana and the Special Projects Office, in the manner you suggested in your original proposal.
2. That Dr. Don Dinkel of the University of Alaska be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to "...supply production data for establishing farm unit costs and review the study as a whole to maintain basic validity," in the manner you suggested in your original proposal.



Mr. Gene Whiting  
March 17, 1981  
Page Two

3. That the firm of Homan-McDowell Associates be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to ". . .provide the economic analysis," in the manner you suggested in your original proposal.

4. That Dr. Wayne Burton be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to review, evaluate and provide critical comments on the final draft of the report after it has been rewritten and reorganized.

5. That the rewritten, reorganized final draft with the complete text of Dr. Burton's review comments be submitted to the City of Nenana no later than May 15, 1981.

6. That pending tentative acceptance of the final draft by the City of Nenana on June 1, 1981 and prior to June 5, 1981, Dr. Dinkel and the firm of Homan-McDowell submit letters to the City of Nenana stating that their respective agreements with Little Goldstream Associates have been satisfactorily completed.

7. That all certificates and assurances required by Paragraphs 5 and 7 of the subcontract agreement be submitted to the City prior to June 10, 1981.

8. That upon written authorization by the City, the approved final report will be printed in 250 copies and delivered to the City no later than June 15, 1981.

9. That all costs incurred by the City of Nenana in assuring the performance of Little Goldstream Associates under Contract AG-103 and this agreement will be deducted from remaining funds available for the completion of subcontract work under City Contract AG-103.

10. That you, as owner of Little Goldstream Associates, sign, date and return this letter to the City of Nenana no later than April 15, 1981.

I will be out of the state for an extended period prior to April 5, 1981. The City of Nenana is prepared to meet with you and your associates, Dr. Dinkel, Dr. Burton and Homan-McDowell at your mutual convenience and at your invitation in either Fairbanks, Juneau or Anchorage between April 5 and April 15 to further discuss these conditions. In the meantime, please contact Jerry Smetzer, Development Consultant to the City of Nenana, if you have questions.

Be assured that the City of Nenana is seeking through AG-103 a final report that provides the City with a long term program for the development of a "feasible vegetable industry" utilizing the extensive Class II soils at Nenana-Totchaket.

Mr. Gene Whiting  
March 17, 1981  
Page Three

Since you have made much of your conclusion that production of the vegetables you investigated are not "feasible," we insist that you either explore and exhaust other possibilities or demonstrate by formal consensus of other agricultural experts that vegetable production is not now and cannot in the near future be "feasible" in the State of Alaska.

Sincerely yours,

CITY OF NENANA, ALASKA

John B. Coghill, Mayor

JBC:so

cc: Bob Palmer  
Dr. Don Dinkel  
Dr. Wayne Burton  
Homan-McDowell  
Bob Pollock  
Stephen J. Pearson  
James D. DeWitt



# City of Nenana

## State of Alaska

March 9, 1981

Mr. Gene Whiting  
Little Goldstream Associates  
3031 Riverview Drive  
Juneau, Alaska 99801

Rt. 1, Mile 314.5, Parks Hwy.  
Nenana, Alaska 99760

Re: Nenana Contract AG-103

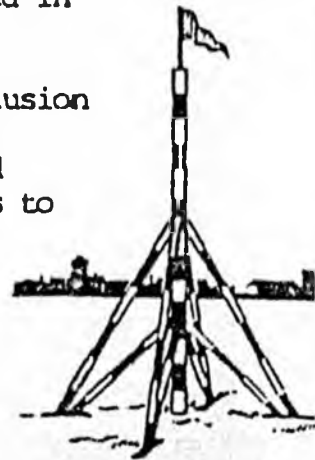
Dear Mr. Whiting:

The report submitted by your firm has been reviewed by myself and the Agriculture Specialist for the City of Nenana, Jerry Smetzer. It has also been reviewed by the City Attorney. The consensus among us is that the report as submitted fails to meet either the standards set out in the subcontract or the commitments made in your submittals to the City on September 23, 1980.

While the City is not required to do so by any of the terms of the contract, it is providing the other members of your firm until March 15, 1981 to cure the matters described below. If the defects identified are not cured within that time, the City will have no choice but to have the contract performed elsewhere and seek to recover from your firm any damages, including extra costs and consequential damages, that are incurred as a result. Obviously, if a portion of the project were delayed for a year those damages could be very substantial.

To conform to the subcontract and the commitments made by your firm in its submittal, the report delivered must, at a minimum, be amended in the following areas:

1. The report must clearly demonstrate why a given conclusion follows from data included in the report. The persons for whom the report was written have little knowledge of the field in general and vegetable production in particular. Conclusions that may be obvious to you are not apparent to the unsophisticated reader.



2. You should consider involving a professional report writing firm in the preparation of an amended final report. Many of the reasons the report is confusing and obscure trace to poor sentence structure and the somewhat disorganized approach your firm has used. Typographical and spelling errors must be eliminated.

3. In your definition of the market, you consider only the "railbelt area," which you fail to define adequately. If that is the only market, you should state why and what it consists of in specific geographic terms. The omission of reasons for the market limitation goes to the heart of vegetable market feasibility in Alaska.

4. The report must meet the commitments and involve the personnel described in your proposal to the City delivered September 23, 1980. It does not do so in its present draft.

5. Jerry Smetzer provided you with a copy of your firm's report, annotated with questions, comments and criticisms. Your responses to those comments, an unsolicited seven page addendum, provides only minimal answers or no answers at all to Smetzer's questions. Further, the addendum is difficult to work with in relation to the report.

6. Many of your conclusions are obscure. For example, in your discussion of the market for vegetables you state:

More than seventy-five percent of frozen potato marketings go to the "institutional" or food service trade. This area of the market is certainly open to Alaskan-produced, if quality and service equal or exceed that from 'outside'. Also, this area of the market is Alaska located, thus directly accessible. The same cannot be said for the retail supplier (sic) market. Four retail store groupings dominate the retail grocery trade in Alaska, with only one being functionally accessible within Alaska.

In response to Smetzer's question regarding this language, your firm stated, "The institutional market should be addressed by Alaskan producers, as it is not brand conscious and may not be dominated by suppliers as completely as other markets." (Addendum, p.2)

The City does not understand any of this. What, for example, does "functionally accessible" mean? Is it jargon or does it have some special meaning? What grocery chain is accessible, and which ones are not and why? Can incentives be created to break open the other grocery chains? Your firm may be completely correct in concluding that the institutional market will not support a vegetable industry, but the reasons why the analysis is confined to the institutional market are not at all clear.

Gene Whiting  
March 9, 1981  
Page Three

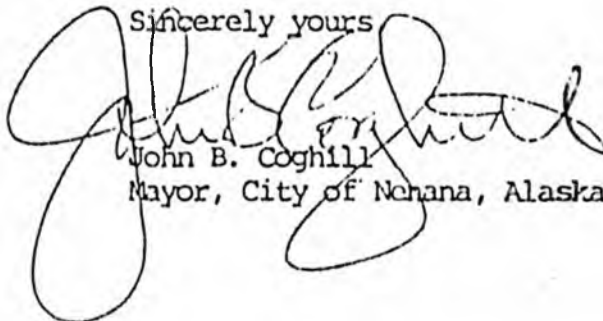
7. As you are well aware, this report is intended for the Alaska Legislature and the state agencies involved in the Totchaket Agricultural Project and the other agricultural projects planned for the State. As it reads now, the report is useless for those purposes.

Therefore, the City requires that the report be corrected to conform to the contract between the City and the State, the subcontract between the City and your firm, and the terms of your proposal to the City not later than March 15, 1981, or the City will regard your firm as being in default of its subcontract, with the results detailed earlier.

Finally, in disregard for its contractual commitments, your firm has distributed copies of its report to persons prior to approval by either the State or the City. The City will hold Little Goldstream liable for any damages suffered by the City to the State, whether direct, indirect or consequential, arising in whole or in part from this wilful breach.

Please contact Jerry Smetzer for specific instructions as to how to bring your firm's report into conformity with the standards set out above.

Sincerely yours



John B. Coghill  
Mayor, City of Nenana, Alaska

cc: Don Dinkel, Wayne Burton, Homan-MacDowell, Robert Palmer,  
Robert Pollock, Jim DeWitt.

**STANDARD AGREEMENT FORM  
FOR PROFESSIONAL SERVICES CONTRACT**

*This contract, which is effective only if it is approved by the Department of Administration, is between the State of Alaska,*

Department of <b>Office of the Governor/Special Projects Office</b>		<i>hereafter, The State, and</i>	
Contractor <b>City of Nenana</b>		<i>hereafter, the Contractor</i>	
Physical Address <b>Box 177</b>	Street or P. O. Box	City <b>Nenana, Alaska</b>	State <b>Alaska</b>
Alaska Business License Number		Internal Revenue Service Number	
		Zip Code <b>99760</b>	

*This is a contract for professional services. AS 344.037.030 authorizes the State to make this contract. The parties to the contract agree as follows:*

**ARTICLE 1. Appendices.** Appendices referred to in this contract and attached to it are considered part of it.

**ARTICLE 2. Performance of Services.**

2.1 Appendix A, Articles 1 through 16, governs the performance of services under this contract.

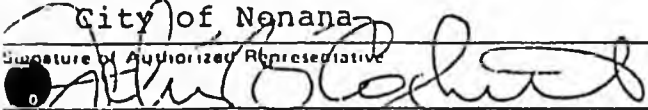
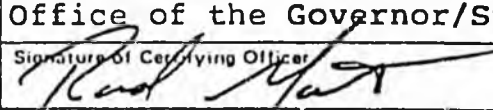
2.2 Appendix B sets forth the services to be performed by the contractor.

**ARTICLE 3. Period of Performance.** The period of performance under this contract begins September 1, 1980, and ends March 31, 1981. Performance may be extended for additional periods by the written agreement of the parties.

**ARTICLE 4. Consideration.**

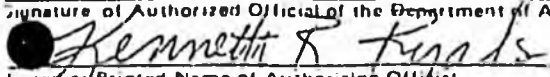
4.1 In full consideration of the Contractor's performance under this contract, the State shall pay the Contractor in accordance with the provisions of Appendix C.

4.2 When billing the State, the Contractor shall refer to the State Contract Number and send the billing to:

Department of <b>Office of the Governor</b>	Attn: Division of <b>Special Projects Office</b>
Mailing Address <b>Pouch AN, Juneau, Alaska 99811</b>	
<b>CONTRACTOR</b>	<b>STATE</b>
Name of Firm <b>City of Nenana</b>	Department or Agency <b>Office of the Governor/Special Projects</b>
Signature of Authorized Representative 	Signature of Certifying Officer 
Typed or Printed Name of Authorized Representative <b>JOHN B. COGHILL</b>	Typed or Printed Name of Certifying Officer
Title <b>MAYOR</b>	Title

**APPROVAL BY THE DEPARTMENT OF ADMINISTRATION**

**NOTICE!** This contract has no effect except as an offer by the Contractor until it is approved by the Department of Administration.

Signature of Authorized Official of the Department of Administration 	Date <b>10-07-80</b>
Typed or Printed Name of Authorizing Official <b>Kenneth R Ryals</b>	Title <b>Pre-audit Supervisor</b>

**APPENDIX A**

**Article 1. Definitions.**

1.1 In this contract and appendices, "Certifying Officer" means the person who signs this contract on behalf of the Department and includes a successor or authorized representative.

1.2 "Department" means the agency for which this contract is to be performed and for which the Certifying Officer acted in signing this contract.

**Article 2. Inspection and Reports.**

2.1 The Department may inspect, in the manner and at reasonable times it considers appropriate, all the Contractor's facilities and activities under this contract.

2.2 The Contractor shall make progress and other reports in the manner and at the times the Department reasonably requires.

**Article 3. State Saved Harmless.**

The Contractor shall indemnify and hold and save the State, its officers, agents and employees harmless from liability of any nature or kind, including costs and expenses, for or on account of any and all legal actions or claims of any character whatsoever resulting from injuries or damages sustained by any person or persons or property arising from its performance of this contract in any way whatsoever.

(OVER)

OCT 02 1980

4.1. Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided without bias by the Director of the Department's Division of Administrative Services (or, if none, the Department's Administrative Officer), who shall reduce his decision to writing and mail or otherwise furnish a copy of it to the Contractor. The decision of the Director is final and conclusive unless, within 30 days from the date of receipt of that copy, the Contractor mails or otherwise furnishes to the Certifying Officer a written appeal addressed to the Commissioner of the Department. The Commissioner shall appoint a three-person board from the Department to hear the appeal, none of whom may be from the Division of Administrative Services. The decision of the board is final and conclusive, unless it is fraudulent or not supported by substantial evidence. In any proceeding under this article, the Contractor has a right to be heard by an unbiased panel and to offer evidence in support of his appeal. Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Director of the Division of Administrative Services decision.

4.2. This disputes article does not preclude consideration of questions of law in connection with decisions provided for in paragraph 4.1 above. However, this article does not make the decision of any administrative official, representative or board on a question of law final or conclusive.

#### Article 5. Equal Employment Opportunity.

5.1. The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, physical handicap, sex, or marital status, change in marital status, pregnancy or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical handicap, sex, or marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall take affirmative action to insure that the applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.

5.2. The Contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, or marital status.

5.3. The Contractor shall send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' representative of the Contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.

5.4. The Contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any construction, maintenance, or service contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.

5.5. The Contractor shall cooperate fully with the office or agency of the State of Alaska which seeks to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.

5.6. Full cooperation in paragraph 5.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the Contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting in inspection of the Contractor's facilities; and promptly complying with all state directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and state laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

5.7. Failure to perform under this article constitutes a material breach of the contract.

#### Article 6. Termination.

The Certifying Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

#### Article 7. No Assignment or Delegation

This contract is personal and the Contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Certifying Officer.

#### Article 8. No Additional Work or Material

No claim for additional services, not specifically provided in this contract, performed or furnished by the Contractor, will be allowed, nor may the Contractor do any work or furnish any material covered by the contract unless the work or material is ordered in writing by the Certifying Officer and approved by the Department of Administration.

#### Article 9. Independent Contractor.

The Contractor and any agents and employees of the Contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

#### Article 10. Payment of Taxes.

As a condition of performance of this contract, the Contractor shall pay all federal, state, and local taxes incurred by the Contractor and shall require the payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

#### Article 11. Workmen's Compensation Insurance.

During the life of this contract, the Contractor shall provide and maintain, for all employees of the Contractor engaged in work under this contract, workmen's compensation insurance as required by AS 23 30. The Contractor shall require any subcontractor to provide and maintain for its employees workmen's compensation insurance as required by AS 23 30. That coverage must remain in force from the day services begin under this contract and shall provide for written notice to the Certifying Officer at least 30 days before cancellation or non-renewal. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Contractor's services. Before performing under this contract, the Contractor shall furnish the Certifying Officer with certificates of insurance as proof of compliance with this article. The certificates of insurance must include an All States' Broad Form Endorsement.

#### Article 12. Insurance.

Before this contract may be approved, the Contractor shall furnish a certificate of liability insurance evidencing coverage satisfactory to the Risk Manager of the Department of Administration.

#### Article 13. Ownership of Documents.

All designs, drawings, specifications, notes, and other work developed in the performance of this agreement are and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The Contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Certifying Officer. Unless otherwise directed by the Certifying Officer, the Contractor may retain copies of all the materials.

#### Article 14. Governing Law.

This contract is governed by the laws of the State of Alaska.

#### Article 15. Officials not to Benefit.

No member of or delegate to Congress, United States Commissioner, or officials of the state or federal government may be admitted to any share or part of this contract or to any benefit to arise therefrom.

#### Article 16. Covenant Against Contingent Fees.

The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, contingent fee, or brokerage except employees or agencies maintained by the Contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage, or contingent fee.

Articles 15 and 16 are to be used only if the professional services contract is federally funded.

APPENDIX B

The Services to be Performed by the City of Nenana for the Office of the Governor/Special Projects Office.\*

A. The Contractor agrees to perform the following services: Coordination of all activities in regards to determining the feasibility of an economic vegetable production, processing and marketing industry in the Nenana area. Contract to research, survey and recommend a course of action to establish a viable economic vegetable industry project, with due consideration of, but not limited to, the following:

1. establishment of necessary criteria to determine the economic units needed, by size and quantity, in order to support the first phase of a processing facility to market fresh, frozen or dehydrated vegetables,
2. profitability and economic analysis,
3. time frame and scheduling required,
4. number and size of farms,
5. infrastructural needs ie.; seed, fertilizer, machinery, cooperatives, etc.,
6. total funding necessary to implement,
7. recommended legislation.

B. Time Frame:	Preliminary analysis	November 15, 1980
	Final analysis	March 31, <del>1980</del> 1981
C. Consideration:	Professional Services	\$45,000.00
	<u>Administration</u>	<u>8,000.00</u>
	Total	\$53,000.00

\* The Office of the Governor/Special Projects Office reserves the right to review all professional contract bids relative to this agreement and to have final approval of the contractor selected. The Office of the Governor/Special Projects Office reserves the right to review all activities relating to this agreement during the contract period and have final approval prior to any public distribution. All information gathered will be routed through the City of Nenana prior to public distribution.

APPENDIX C

Consideration:

In full consideration of the Contractor's performance hereunder, the State shall pay the Contractor an amount not to exceed \$53,000.00 based on submission of monthly billings to the Special Projects Office, Office of the Governor, Juneau, covering expenditures occurring in the period. The final billing date shall occur not later than 30 days following the expiration date of the contract.

AUTHORITY TO ENTER CONTRACT NEGOTIATIONS

This form must be executed prior to entering negotiations regarding PROFESSIONAL SERVICE CONTRACTS when the contract amount is in excess of \$2,000 in an annual period. This includes the PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE on the back side of this form. Refer to Purchasing Regulations Manual, Chapter 5, for further instructions.

DEPARTMENT: Office of the Governor DATE: 9-2-80  
DIVISION: Special Projects Office AMOUNT OF CONTRACT: \$53,000.00  
PREPARED BY: W.I. "Bob" Palmer/S. Boyer PERIOD COVERED FROM: 9-1-80  
TELEPHONE: 465-3568 TO: 3-31-81

Purpose(s) of contract:  
To coordinate all activities in regards to determining the feasibility of an economic vegetable production, processing and marketing industry in the Nenana area.

We intend to negotiate with the following persons or firms. Agencies SHOULD list at least three choices or explain why it is not possible.

<u>NAME</u>	<u>ADDRESS</u>	<u>ALASKA BUSINESS LICENSE</u>	
<u>City of Nenana, Box 177, Nenana, Alaska</u>	<u>99760</u>	YES <u>      </u>	NO <u>  X  </u>
<u>      </u>	<u>      </u>	YES <u>      </u>	NO <u>      </u>
<u>      </u>	<u>      </u>	YES <u>      </u>	NO <u>      </u>

Budgetary Data:

BRU NAME: Special Projects Office COMPONENT:         
8 DIGIT CODE: 01-71-1-097

The concurrence of the Department of Administration is sought so that we may proceed to negotiate the above contract.

FOR THE DEPARTMENT:  
[Signature]  
DEPARTMENT HEAD OR AUTHORIZED REPRESENTATIVE  
9/17/80  
DATE

CONCUR:  
[Signature]  
DEPARTMENT OF ADMINISTRATION  
9/23/80  
DATE

The proposed contract must be forwarded to the Department of Administration after contractor and Departmental signatures have been affixed but prior to execution or effective date, for final approval.

#3990

PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE

PROPOSED CONTRACTOR: City of Nenana

1. WILL THE CONTRACTOR BE SUBJECT TO SUPERVISION BY AGENTS, OFFICIALS, OR EMPLOYEES OF THE STATE?
2. WILL THE STATE BE INVOLVED IN TRAINING THE CONTRACTOR AS TO THE METHODS AND/OR TECHNIQUES THAT ARE TO BE USED TO ACCOMPLISH THE WORK THAT IS TO BE DONE?
3. WILL IT BE NECESSARY FOR THE CONTRACTOR TO RENDER THE SERVICES PERSONALLY?
4. WILL THE CONTRACTOR BE HIRING/FIRING, SUPERVISING AND FINANCING PAYMENT OF NON-STATE EMPLOYEES IN CONJUNCTION WITH THE FULFILLMENT OF THE PROPOSED CONTRACT?
5. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE HOURS (E.G., START/STOP TIMES, MINIMUM OR MAXIMUM HOURS, DAYS OF WEEK, ETC.) DURING WHICH THE CONTRACTOR IS TO ACCOMPLISH THE WORK REQUIRED BY THE AGREEMENT?  
IF SO, WHAT WILL BE THE NATURE OF THE SPECIFICATION? \_\_\_\_\_
6. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE LOCATION AT WHICH THE CONTRACTOR WILL PERFORM THE REQUIRED SERVICES?
7. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE ORDER OR SEQUENCE IN WHICH THE TASKS INVOLVED WILL BE ACCOMPLISHED?
8. WILL THE CONTRACTOR BE PAID BASED UPON TIME WORKED (E.G., HOURS, DAYS, MONTHS) (IN CONTRAST TO PAYMENT FOR COMPLETION OF A PRODUCT OR, IN THE CASE OF PROGRESS PAYMENTS, A SPECIFIED PORTION OF THE TOTAL PRODUCT)?
9. WILL THE CONTRACTOR BE REIMBURSED FOR MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, OVER AND ABOVE THE COMPENSATION AGREED UPON FOR THE SERVICES TO BE RENDERED? (CHECK "NOT APPLICABLE" IF NO MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, WILL BE INVOLVED IN ACCOMPLISHING THE WORK TO BE DONE).
10. WILL THE STATE SUPPLY TOOLS AND MATERIALS NECESSARY FOR THE CONTRACTOR TO ACCOMPLISH THE WORK TO BE DONE? (CHECK "NOT APPLICABLE" COLUMN IF NO TOOLS AND/OR MATERIALS ARE INVOLVED IN THE WORK TO BE DONE).
11. WILL THE CONTRACTOR BE EXPOSED TO THE RISK OF A FINANCIAL LOSS UNDER THE TERMS OF THE PROPOSED AGREEMENT?
12. WILL THE CONTRACTOR BE AFFORDED LIABILITY PROTECTION UNDER STATE PURCHASED INSURANCE POLICIES?  
IF SO, WHAT TYPE OF COVERAGE? \_\_\_\_\_
13. IS THE CONTRACTOR CURRENTLY A PARTY TO AGREEMENTS FOR THE PROVISION OF SIMILAR SERVICES TO NON-STATE ENTITIES?
14. DOES THE CONTRACTOR MAKE HIS/HER SERVICES AVAILABLE TO THE GENERAL PUBLIC (I.E., MAINTAIN AN OFFICE IN A PUBLIC PLACE, ADVERTISE IN YELLOW PAGES, TRADE JOURNALS, ETC.)?
15. WILL THE STATE BE SUPPLYING OFFICE OR OTHER WORK SPACE FOR THE USE OF THE CONTRACTOR? (CHECK "NOT APPLICABLE" IF WORK SPACE IS ONLY INCIDENTAL IN PROVIDING THE REQUIRED SERVICES).
16. WILL THE STATE BE ABLE TO DISCHARGE THE CONTRACTOR PRIOR TO COMPLETION OF CONTRACT FOR REASONS OTHER THAN FAILURE TO PERFORM AS SPECIFIED BY THE AGREEMENT OR THE UNAVAILABILITY OF APPROPRIATED FUNDS?
17. WILL THE AGREEMENT MAKE THE DEFAULTING PARTY LIABLE FOR PAYMENT OF DAMAGES ARISING OUT OF THE FAILURE TO PERFORM?
18. WILL THE STATE HAVE THE RIGHT OF FIRST CALL ON THE SERVICES OF THE CONTRACTOR?
19. WILL THE CONTRACTOR BE BOUND TO COMPLY WITH THE GENERAL POLICIES AND PROCEDURES GOVERNING THE BEHAVIOR OF STATE EMPLOYEES BY THE PROPOSED AGREEMENT?
20. WHY IS IT DEEMED PREFERABLE TO CONTRACT FOR THE REQUIRED SERVICES INSTEAD OF HIRING AN EMPLOYEE TO PROVIDE THEM?

YES	NO	N/A
X		
	X	
X		
X		
	X	
X		
	X	
		X
	X	
	X	
X		
	X	
	X	
X		
	X	

This is merely a one time only situation and there are no employees presently available who can do this. The City of Nenana has the expertise available to carry out this contract.

THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

\_\_\_\_\_  
SIGNATURE TITLE DATE

ADDITIONS ON ANY OF THE ABOVE ANSWERS MAY BE APPENDED.

SUBCONTRACT AGREEMENT

Contract No. AG 103

The CITY OF NENANA, ALASKA, a municipality (Contractor), and  
Little Goldstream Associates, of 3031 Riverwood Drive,  
Juneau, Alaska 99803 (Subcontractor), agree as follows:

1. Scope of Work. The subcontractor shall perform all of the work described in Appendix B, Part A of the contract document entitled "Standard Agreement Form for Professional Services Contract"; and in addition shall perform everything required by the Contractor under this Agreement, the State of Alaska under this Agreement, and the contract documents.

2. Time of Completion. The work to be completed under this Agreement shall be commenced immediately upon award of this contract and shall be completed as follows:

Preliminary written report	December 1, 1980
Final written report	February 15, 1981

3. Contract Sum. The total consideration payable to Subcontractor by Contractor under this Agreement shall be 43960<sup>00</sup>, payable according to Paragraphs 4 and 5 of this Agreement.

4. Progress Payments. The Contractor shall make payments of the contract sum to Subcontractor for performance of this Agreement as follows: the Subcontractor, not more often than monthly, may submit itemized statements for services performed under the agreement. The Contractor will review them for conformity with the agreement and, if acceptable, forward them to the State of Alaska. On receipt of payment of the statement from the State of Alaska, the Contractor will pay the amount of the statement paid to it by the State to the Subcontractor, except that the Contractor may retain the final 25% of the contract sum as final payment under Paragraph 5.

5. Acceptance and Final Payment. Final payment shall be due 60 days after full completion of the work and this Agreement.

Upon delivery of the Final Written Report, the Contractor shall promptly make a review of the report, and if the Contractor finds the work acceptable under this Agreement, it shall forward the report,

together with its acceptance of the report, to the State of Alaska. On receipt of any balance due from the State, the Contractor immediately shall pay to Subcontractor the balance of the contract sum.

Before the Contractor accepts the Final Written Report, the Subcontractor shall furnish to Contractor evidence satisfactory to Contractor that all payrolls, material bills, taxes and other indebtedness connected with the work have been paid or otherwise satisfied.

6. Contract Documents. The contract documents consist of the following, in addition to this Agreement:

(a) The Standard Agreement for Professional Services Contract, including Appendices A, B and C, designated by the Contractor as Contract No. \_\_\_\_\_, between the City of Nenana, Alaska and the Special Projects Office, Office of the Governor, State of Alaska;

(b) The Terms and Conditions of Submittal;

(c) The Second Invitation for Bids;

7. Additional Conditions. In addition to the terms and conditions set out above, the Contractor requires that the Subcontractor:

(a) maintain adequate liability insurance to cover foreseeable contingencies in performance of this Agreement, and, upon request, furnish a certificate of insurance to the Contractor;

(b) maintain workmen's compensation insurance as required by Alaska law;

(c) indemnify, hold harmless and defend the Contractor from all liability arising from Subcontractor's performance of the agreement, except liability arising exclusively through the actions or inactions of the Contractor;

(d) work closely with the Contractor in performing the Agreement, consulting regularly and frequently with the Contractor and, upon request, reporting to the City Council of the City of Nenana, Alaska;

(e) on request, to submit its work or work in progress to review by the State or the Contractor at any reasonable time;

(f) not release any information gathered for this Agreement to any person but the State or the Contractor;

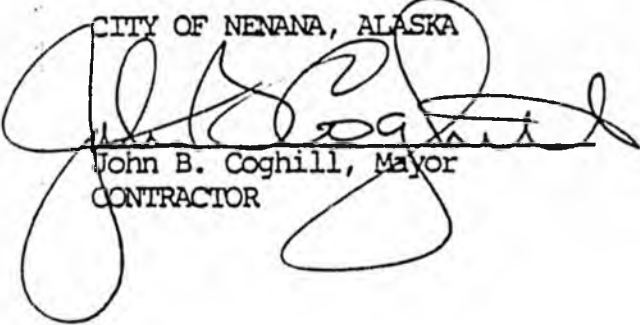
8. Definitions. In this Agreement, unless the context requires otherwise, the following words shall have the following meanings:

"Contractor" means the City of Nenana, Alaska in the person of the Mayor, or his authorized agent named in a writing delivered to the Subcontractor;

"State" means the Special Projects Office, Office of the Governor, State of Alaska, or its authorized designees.

DATED: October 18, 1980

CITY OF NENANA, ALASKA

  
John B. Coghill, Mayor  
CONTRACTOR

Name: Gene W. King

Title: Turner  
SUBCONTRACTOR

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**