



***IMPORTANT NOTICE FOR
REQUEST FOR PROPOSALS***

2016-0800-3289

16059

FOR

**Insurance & Risk Management Services
For the Bradley Lake Hydro Project and Alaska Intertie
(October 27, 2015)**

Interested firms shall register online to receive addenda and other information at <http://www.aideaaeaprocurement.org/>

The Authorities may provide periodic e-mail notices regarding addenda or clarifications regarding this solicitation to those companies who reply.

All addenda and other notices will be posted and available at <http://www.aidea.org/> "Quick Links" Procurement Opportunities.

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Alaska Energy Authority

813 West Northern Lights Blvd.

Anchorage, AK 99503

FAX: (907) 771-3044

Phone: (907) 771-3036

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SECTION 1. INTRODUCTION AND INSTRUCTIONS

1.1 Purpose of this Request for Proposals (RFP)

The purpose of this solicitation is to establish a multi year contract for Insurance brokerage services that will result in providing risk management services; and property, boiler, and machinery insurance coverage for the Bradley Lake Hydro Facility located in South Central Alaska and the Alaska Intertie located between Willow and Healy in the Susitna Valley on behalf of the Alaska Energy Authority (AEA) and the utilities that purchase power from the facility.

1.2 Minimum Contractor Requirements to Respond

In order for the proposal to be considered responsive, Offerors must clearly demonstrate within their proposal that they have ten years brokerage activity experience providing property programs for utilities or governmental entities and they possess a valid Alaska Insurance License in accordance with section 2.10.

Failure by Offeror to meet these minimum experience requirements will cause the proposal to be considered nonresponsive and the proposal will be rejected.

1.3 Issuing Office

Physical Address:

Alaska Energy Authority (AEA)
813 West Northern Lights Blvd
Anchorage, AK 99503

Contact: Michele Hope
Telephone: (907) 771-3036
Facsimile: (907) 771-3044
Email: mhope@aidea.org

A hard copy of this RFP, with associated contract documents may be picked up or requested from the Issuing Office during the regular work hours of 8:00 a.m. to 12:00 noon and 1:00 p.m. to 5:00 p.m., Monday through Friday excluding state holidays.

AEA assumes no liability for incorrect addresses or delivery of RFP packages by public or private carriers.

1.4 Mailing Address and Deadline for Receipt of Proposals

Offerors must submit four (4) copies of their proposal to the Issuing Office, in a sealed envelope(s) clearly labeled and marked as a proposal:

From: Offeror's Return Address
To: Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage, AK 99503
ATTN: Michele Hope
Insurance & Risk Management Services for the Bradley Lake Hydro Project
RFP 16059, DOA 2016-0800-3289

Proposals must be received in writing at the AEA Office, Attn: Michele Hope, **no later than 2:00 p.m., Alaska Daylight Time November 17, 2015**. Failure to meet the deadline will result in disqualification of the proposal without review.

1.5 Questions about the RFP

Any technical or procedural questions regarding the RFP or contractual documents should be directed to the Procurement Officer. All questions that require clarification or interpretation of this RFP that cannot be answered by careful review of the document must be received in writing at the Issuing Office address before the due date for proposals. The Procurement Officer will respond in writing if the question cannot be answered by directing the Offeror to the appropriate section of the RFP. Copies of any written response to questions will be made available to all parties that receive the RFP.

Any technical or procedural questions or correspondence concerning protest of the intent to award of a contract (See sections 2.2 and 2.26) should be addressed to:

Michele Hope, Contracting Officer
Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage, AK 99503
Phone: (907) 771-3036, Email mhope@aidea.org

1.6 Location of Work

The AEA offices are located in Anchorage, Alaska. The Bradley Lake Hydro project is located 27 air miles northeast of Homer, Alaska on the Kenai Peninsula. The Alaska Intertie is located in the Susitna Valley.

1.7 Funding of the Contract

The annual cost for Bradley Lake Hydroelectric insurance is estimated to be between \$400,000 and \$600,000. The annual cost for Alaska Intertie insurance is estimated to be between \$10,000 and \$30,000. Cost of the insurance is funded by the utilities that purchase the power as part of the project's annual operating budget.

1.8 Period of Performance

The initial period of performance will be approximately two and one half years from January 2016 through June 30, 2018. Coverage is needed for the Alaska Intertie January 1, 2016 through June 30, 2016. Then coverage is needed for both project on a State of Alaska fiscal year bases of July 1 through June 30. The Alaska Energy Authority (AEA) expects the contract length to have four (4) one-year renewal options based on successful performance. Continuation past the first contract period is subject satisfactory performance and additional funds being available in proceeding years.

1.9 Solicitation and Advertising

In accordance with 2 AAC 12.220 notice of this solicitation for proposals is being published on the state of Alaska On-Line public notice Web site at www.state.ak.us

1.10 RFP/Contract Management

The Executive Director of the Authority, or his designee, must approve the contract and any amendments prior to execution.

The Project Manager will participate in the evaluation of proposals, make recommendations for negotiations, and negotiate the final terms and conditions of the contract subject to the Procurement Officer's approval. The Project Manager is also responsible for contract administration that includes accepting proposals for changes, approving invoices and deliverables and evaluating performance.

The Procurement Officer, as defined by this RFP, is responsible for conducting the solicitation and overseeing the work of the Project Manager and Evaluation Committee to assure compliance with state procurement policy and AEA guidelines, making determinations with respect to a protest or claim as required by law, and final review and approval of the contract for the Executive Director of the Authority.

1.11 News Releases

News releases pertaining to this RFP or the project to which it relates shall not be made without prior approval of the Project Manager. The Contractor will be required to coordinate with the Issuing Office of this RFP before making any response to a request for information regarding this project.

1.12 Definitions

For the purposes of this RFP and any resulting contract, the following definitions apply:

- “State” would be taken to mean AEA as an entity of the state or other departments within the state depending on the context of the clause.
- “The Authority” or “AEA” refers to the Alaska Energy Authority, a separate corporation as defined by AS 44.83.020.
- The “Bradley Project Management Committee” or “BPMC” refers to the project management committee per the agreement for sale of project power that is composed of one member for each participating utility and one member for the authority.
- The “Intertie Management Committee” or “IMC” refers to the project management committee per the agreement for

SECTION 2. STANDARD PROPOSAL INFORMATION

2.1 Proposal Preparation Costs

The Authority will not pay any cost associated with the preparation, submittal, or presentation of any proposal.

2.2 Required Review - Protests Prior to Award

Offerors must carefully review the RFP for defects and questionable or objectionable material. Such defects must be reported to the contact person at the issuing office in writing and received prior to the deadline for receipt of proposals. This will allow sufficient time for the Procurement Officer to issue an addendum if warranted, and will help prevent the evaluation of proposals based on a defective RFP.

AS 36.30.560 - 565, provides that an interested party may protest alleged improprieties or ambiguities in the content of a solicitation (RFP). If a potential Offeror wishes to protest the content of a solicitation, the Procurement Officer must receive the protest, in writing, at least ten days prior to the deadline for receipt of proposals. The protest must include the same information noted in Section 2.26. “Protests After Award”. Protests based on an omission, error, or the content of the RFP will be disallowed if notice of the defect is not made as set out above.

2.3 Questions Received Prior to Opening of Proposals

Two types of questions generally arise. The first type of questions may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. The other type of questions may be more complex and may require a written amendment to the RFP. The Procurement Officer will make that decision. All complex questions will be confirmed in writing.

2.4 Addenda to the RFP

Addenda to this request for proposals may be issued at the Authority's option. An interested Offeror, however, may request modifications to the scope, specifications, or administrative requirements. Final acceptance or denial of the request is the decision of the Procurement Officer. Failure of the Procurement Officer to respond in writing to a request for addenda to the RFP shall be considered a rejection of the request. All addenda will be in writing and issued to all persons who receive copies of this RFP.

2.5 Correction, Modification, or Withdrawal of Proposals

A proposal may be corrected, modified or withdrawn by providing a written request from an authorized agent of the Offeror to the contact person before the time and date set for receipt of the proposals. After proposals are opened, modifications may be allowed prior to completion of the evaluation process if the Evaluation Committee determines that it is in the best interest of the Authority to solicit modifications or best and final offers. Modifications to proposals or best and final

offers will be solicited in accordance with AS 36.30.240 and 2 AAC 12.290. The apparent successful Offeror may be requested to modify or correct his proposal during contract negotiations to the extent it is in the best interest of the Authority (2 AAC 12.315).

2.6 Authorized Signature

An individual authorized to bind the Offeror to its provisions must sign proposals. The proposal must remain valid for at least sixty (60) days from the proposal receipt deadline.

In responding to this RFP the individual signing the response is certifying under penalty of perjury that the price submitted was independently arrived at without collusion.

2.7 Offeror's Certification

By signature on their proposal, Offerors certify that they are complying with: 1) the laws of the state of Alaska; 2) the applicable portion of the Federal Civil Rights Act of 1964; 3) the Equal Employment Opportunity Act, the Americans with Disabilities Act (ADA) and the regulations issued there under by the federal government; and 4) all terms and conditions set out in this RFP. If any Offeror fails to comply with 1) through 4) of this paragraph, the Authority reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

2.8. Human Trafficking

By signature on their proposal, the Offeror certifies that the Offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/>.

Failure to comply with this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

2.9 Conflict of Interest

Each proposal shall include a statement indicating whether or not the firm or any individual working on the contract has a possible conflict of interest. If there is a conflict of interest or appearance of such a conflict, a brief description of the nature of the conflict must be included in the statement. AEA will evaluate the nature of the conflict and the bidders' statement and make a determination whether in its opinion a conflict of interest exists. This decision shall be made solely in AEA's best interest. If the Authority determines that there is a conflict of interest the offer shall be determined to be non-responsive. If a conflict of interest is discovered after contract award, the Authority, after review of the facts surrounding the conflict, may terminate the contract.

2.10 Licenses

At the time the proposals are opened, all Offerors must hold a valid Alaska Insurance License required under AS 21 (such as a Surplus Lines Brokers License issued under AS 21.27). Proposals must be submitted under the name as appearing on the Offeror's current Alaska Insurance License, in order to be considered responsive. Offerors should contact the Department of Commerce, Community and Economic Development, Division of Insurance, P. O. Box 110805, Juneau, Alaska 99811-0805, for information on these licenses. Offerors must submit evidence of a valid Alaska Insurance License with the proposal. An Offeror's failure to submit this evidence with the proposal may cause their proposal to be determined non-responsive. Acceptable evidence that the Offeror possesses a valid Alaska Insurance License may consist of any one of the following:

- (a) Copy of an Alaska Insurance License with the correct NAIC or NIPR code;
- (b) Certification on the proposal that the Offeror has a valid Alaska Insurance License and has included the license number in the proposal;

- (c) A canceled check for the Alaska Insurance License fee with accompanying documentation indicating that the license will be or is in the process of being issued by the Division of Insurance;
- (d) A copy of the Alaska Insurance License application with a receipt stamp from the State's Division of Insurance licensing office; or
- (e) A sworn and notarized affidavit that the Offeror has applied and paid for the Alaska Insurance License.

You are not required to hold a valid Alaska business License at the time proposals are opened if you possess a valid Insurance License issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance.

The contractor and subcontractors will be required to have an Alaska Business License as may be required by the Department of Commerce, Community and Economic Development prior to contract award.

2.11 Subcontractors

The Offerors may subcontract portions of the project tasks. Offerors will be required to submit the names and addresses of all subcontractors and the type and percentage of work they will be providing.

The successful contractor must supply proof of appropriate subcontractors' Alaska business licenses for those businesses that will be doing work inside Alaska within a reasonable time after the Notice of Intent to Award is issued according to AS 36.30.210(a).

If the successful contractor proposes to accomplish more than 50% of the work through subcontractors, they must provide a written statement that they are not operating as a joint venture with the other contractors and will be solely responsible for all work products, profits, and losses, as they relate to the performance of this contract. Failure to provide this statement may result in the proposal being declared a "joint venture" proposal for the purpose of calculating the Alaska Proposer preference.

2.12 Joint Ventures

Joint Venture proposals will not be accepted for the performance of this contract.

2.13 Disclosure of Proposal Contents

AS 36.30.230 requires that the procurement officer open proposals so as to avoid disclosure of contents to competing Offerors during the process of negotiations. To the extent that the Offeror designates and the procurement officer concurs, trade secrets and other proprietary data contained in proposals may be considered confidential. Any material considered confidential must be clearly noted in the proposal and include a brief statement as to the need for confidentiality. All proposals and related information will become public information after issuance of the Notice of Intent to Award.

AS 36.30.510 requires that the contract files include a copy of each proposal submitted and are open to reasonable inspection by the public. All proposals and material submitted become the property of the Authority and may be returned only at the Authority's option. All proposals submitted will be kept on file by the Authority for a minimum of two years.

2.14 Multiple or Alternate Proposals

In accordance with 2 AAC 12.830, multiple or alternate proposals may be considered responsive provided they meet the minimum requirements noted in Sections 1.2 and 6 of this solicitation. Alternate or multiple proposals would be evaluated as separate proposals subject to the same evaluation criteria in Section 7.

2.15 Right of Rejection

Offerors must comply with all of the terms of the RFP, with AS 36.30, the state Procurement Code, and all applicable local, state, and federal laws, codes, and regulations.

The Procurement Officer, based on recommendations of the Evaluation Committee, may reject any proposals that do not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Minor informalities, that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other offers; that do not change the meaning or scope of the RFP; that are trivial, negligible, or immaterial in nature; that do not reflect a material change in the work; or, that do not constitute a substantial reservation against a requirement or provision may be waived by the Procurement Officer.

AEA reserves the right to reject all proposals if it is determined that award would not be in the best interest of the Authority in accordance with AS 36.30.350. If all proposals are rejected, they will be returned in accordance with AS 36.30.230(B).

2.16 Evaluation of Proposals

All responsive proposals received will be reviewed and evaluated by a committee that will be made up of AEA representatives or staff. Other representatives may be added as appropriate, provided the Evaluation Committee is made up of at least the designated procurement officer and two public employees in accordance with 2 AAC 12.260. Each member shall exercise independent judgment and no member's vote or score will be weighted more than any other. The evaluation will be based on the evaluation factors set out in Section 7 of this RFP.

2.17 Alaska Proposer's Preference

2 AAC 12.260 (e) provides Alaska Proposer's a 10 percent overall evaluation point preference. Alaska bidders, as defined in AS 36.30.170, are eligible for the preference. This preference will be added to the overall evaluation score of each Alaska Proposer. Each Alaska Proposer will receive 10% of the total available points, added to their evaluation score, as a preference.

2.17.1 Qualifying as an Alaska Bidder/Proposer

AS 36.30.170 describes an Alaska bidder as a person who:

- [a] Holds a current Alaska business license;
- [b] Submits a proposal for services under the name as appearing on the person's current Alaska business license;
- [c] Has maintained a place of business within the state staffed by the Offeror or an employee of the Offeror for a period of six months immediately preceding the date of the RFP;
- [d] 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, or is a partnership and all partners are residents of the state; and
- [e] If a joint venture is composed entirely of ventures that qualify under [a] through [d] of this subsection, if applicable.

It is the responsibility of the Offeror to include in their proposal, a statement of their qualification for the Alaska Bidder/Proposer preference.

2.18 Price Preferences

What follows are references to preferences that may apply to certain Alaskan businesses when calculating the cost. If those Alaskan businesses qualify, the preference(s) will affect the evaluation of the price offered. These preferences are applied before the proposals are evaluated for cost.

Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the Department of Administration, Division of General Services' website:

<http://www.doa.alaska.gov/dgs/pdf/pref2.pdf>

It is the Offeror's responsibility to state which preferences they qualify for in submitting their proposal.

2.18.1 Alaskan Bidder's Preference

For the purpose of evaluating cost, Alaska bidders, as defined in AS 36.30.170, will receive a 5% Alaska bidder's preference as set out in 2 AAC 12.260 (d). This percentage will be deducted from the total cost of a qualified Alaskan bidder's proposal. The adjusted cost will be the price used when evaluating the cost criteria. It is the responsibility of the Offeror to include in their proposal a statement of their qualification for the Alaska Bidder/Proposer preference.

2.18.2 Alaska Employment Program Preference

If an Offeror qualifies for the Alaskan bidder preference, under AS 36.30.170, and is offering services through an employment program, as defined under 36.30.990(17), the price of the proposal may be reduced by 15% for evaluation purposes.

2.18.3 Alaskans with Disabilities Preference

If an Offeror qualifies for the Alaska bidder preference, under AS 36.30.170, and is a sole proprietorship owned by a person with a disability, as defined in AS 36.30.170, the price of the proposal may be reduced by 10% for evaluation purposes.

2.18.4 Employers of People with Disabilities Preference

If an Offeror qualifies for the Alaska bidder preference, under AS 36.30.170, and, at the time the proposal is submitted, employs a staff that is made up of 50% or more people with disabilities, as defined in AS 36.30.170, the price of the proposal shall be reduced by 10% for evaluation purposes.

2.18.5 Certification of Qualification for Disability Preferences

The Division of Vocational Rehabilitation in the Department of Education maintains a list of Alaskan: [1] employment programs that qualify for preference, [2] individuals who qualify for preference as Alaskans with disabilities, and [3] employers who qualify for preference as employers of people with disabilities.

As evidence of an individual's or a business' right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the employment program or disabilities preferences described above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list at the time the proposal is opened and must provide the Procurement Officer a copy of their certification letter. Offerors must attach a copy of their certification letter to their proposal. The Offeror's failure to provide the certification letter mentioned above, with their proposal, will cause the Authority to disallow the preference.

2.19 Cost Evaluation Formula

The distribution of points based on cost will be determined as follows per AS 36.30.040, .210, .250, and 2 AAC 12.260(d). The lowest priced proposal receives the maximum number of points allocated to price. Other allocations are determined by this formula:

$$\frac{(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})}{\text{Offeror's Cost Proposal}} = \text{Points awarded for cost}$$

What determines the “lowest priced proposal” is further clarified in Section 7.5 of this RFP.

2.20 Interviews for Clarification

The Evaluation Committee (EC) may require Offerors to provide clarification of certain points in their proposals prior to completion of the evaluation process through interviews. The purpose of the interviews is to ensure that the Evaluation Committee has a more complete understanding of the contractor's proposal. Material changes to proposals or negotiations are not allowed in this process. Information requested for the purposes of clarification will be limited to verification of statements made in the Offeror's proposal.

All Offerors who are in the highest competitive range will be given similar opportunities, as required, for clarification. Interviews will be conducted in such a manner that information derived from competing Offerors is not disclosed. Interviews will be scheduled at the convenience of the Issuing Office. AS 44.62.310 does not apply to meetings with Offerors conducted under this section. Interviews may be conducted by teleconference.

If the Evaluation Committee requests the highest scoring Offerors to participate in an oral presentation combined with a structured interview, Offerors will be required to have in attendance and available for interview, at least the key proposed staff. Offerors shall be notified of the date, time and place of the oral presentation and structured interview by the EC.

2.21 Discussions for Best and Final Offers

The Authority may require written or oral submittals from Offerors for the purpose of clarification in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these submittals will be to ensure the Offeror has a full understanding of the requirements of the RFP. Discussions will be limited to sections of the RFP identified by the Evaluation Committee.

Discussions, if held, will be with Offerors who have submitted a proposal deemed reasonably susceptible for award by the Evaluation Committee. Discussions would be after the Evaluation Committee has completed the preliminary evaluation of proposals. If modifications are made as a result of these discussions they will be put in writing.

Following discussions, the Evaluation Committee may set a time for best and final proposal submissions from those Offerors with whom discussions were held. Re-evaluation of the best and final proposals will be limited to the specific sections of the RFP opened to discussion by the procurement officer.

2.22 Contract Negotiations

Upon completion of the evaluation process, contract negotiations will commence in accordance with 2 AAC 12.315. It is anticipated that all contract negotiations will be held at the Authority, 813 West Northern Lights Blvd., Anchorage, Alaska, or by teleconference.

2.23 Failure to Negotiate

If the selected Offeror fails to provide the necessary information for negotiations in a timely manner, negotiate in good faith, or cannot perform a substantial portion of the contract within the amount of budgeted funds available for the project, the Authority may terminate negotiations and negotiate with the next highest ranked contractor, or terminate the award of the contract.

2.24 Notice of Intent to Award

After completion of the evaluation process and contractor negotiations, the Issuing Office will issue a Notice of Intent to Award to all Offerors. This notice will contain the names and addresses of all the Offerors including the intended recipient of the contract.

2.25 Informal Debriefing

Any unsuccessful Offeror may request and receive an informal debriefing either ten (10) working days after the Notice of Intent to Award is mailed out or, if there is a protest, upon completion of the protest process. The debriefing shall be limited to the Offeror's proposal, concentrating on the areas considered deficient or inferior. The merits of other proposals will not be discussed. A formal review may be requested by writing to Althea Clapp, at the Issuing Office address.

2.26 Protests After Award

In accordance with AS 36.30.560, an interested party may protest an award of contract or the proposed award of a contract, or a solicitation by an agency. The protest shall be received in writing at the address below within ten (10) calendar days after the Notice of Intent to Award is issued.

Tom Erickson
Chief Procurement Officer
Alaska Energy Authority
813 West Northern Lights
Anchorage, AK 99503
Phone: (907) 771-3951

The protest must include the following information:

1. The name, address, and telephone number of the protester;
2. The signature of the protester or the protester's representative;
3. Identification of the contracting agency and the solicitation or contract at issue;
4. A detailed statement of the legal and factual grounds of the protest, including copies of relevant documents, and;
5. The form of relief requested.

Protests filed by telex or telegrams are not acceptable because they do not contain a signature. Fax copies of the protest containing a signature are acceptable.

Offerors will be notified of any protest. Review of protests, decisions of the procurement officer, hearings and appeals will be conducted in accordance with the State Procurement Code AS 36.30.550 – 615 of the state Procurement Code.

SECTION 3. STANDARD CONTRACT INFORMATION

3.1 Contract Type

The contract resulting from this RFP will be based on the fixed price annual fee, percentage of commission, rates offered, and actual cost for insurance solicited and placed. Optional work will be requested on a separate work-order basis and the contract will be amended based on a negotiated scope, schedule, and cost for the requested services.

3.2 Contract Approval

This RFP does not, by itself, obligate AEA. The Authority's obligation will commence when the Executive Director of AEA or, the Executive Director's designee approves the contract. Upon written notice to the Contractor, the Authority may, if it wishes, set a different starting date for the contract. AEA will not be responsible for any work done by the Contractor, even work done in good faith, if it occurs prior to the contract start date set by AEA.

3.3 Insurance Requirements

The successful Offeror must secure satisfactory insurance coverage as required by the Department of Administration, Division of Risk Management. Failure to provide evidence of adequate coverage is a material breach and grounds for termination of the contract.

Offerors must review Appendix B2 to Form 02-093 for details on coverage requirements. A copy is included as Attachment B to this RFP

3.4 Standard Contract Provisions

The successful Offeror will be required to sign the standard agreement form for professional services, Form 02-093. A copy is included in the contract documents package for your reference. The Contractor will also be required to comply with the general contract provisions of Appendix A to this form. Any alteration of these general provisions must be approved by the Department of Law before the Authority's Procurement Officer can accept the contract.

3.5 Proposal as Part of the Contract

All or part of the final proposal may be incorporated into the final negotiated contract.

3.6 Additional Terms and Conditions

AEA reserves the right to include additional terms and conditions during the contract negotiations. These terms and conditions must be within the scope of the original RFP and contract documents, and will be limited to cost, clarification, definition, and administrative and legal requirements.

If after award of a contract: 1) a conflict arises between terms offered in contractor's proposal and the terms of the contract or RFP the terms of the contract or RFP will prevail. 2) If the Authority's rights would be diminished as a result of application of a contractor's supplemental term or condition included in the contractor's proposal, the supplemental term or condition will be considered null and void.

3.7 Payment Procedures

The Authority intends to pay the contractor a negotiated sum based upon satisfactory completion of tasks, review of the required deliverables, and submission of an invoice from the Contractor.

No payment shall be made until the invoice has been approved and authorized by the Project Manager. Under no condition will the Authority be liable for the payment of any interest charges associated with the cost of the contract.

The Authority is not responsible for and will not pay any local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency. If a contractor is delinquent on payment of state taxes the payment provisions of the contract may be subject to review and approval by the Department of Revenue prior to award.

3.8 Contract Personnel

The Authority reserves the right to approve or disapprove any change in the successful Offeror's project team members whose participation in the project is specifically offered in the proposal. Similarly, changes in the amount of participation by key project members will require AEA approval. This is to ensure that persons with vital experience and skill remain fully involved in the project.

Requests for any change in contractor personnel shall be submitted in writing to the Authority for the Authority's review and sign-off before the change is made. Contractor personnel changes, not approved by the Authority, may be cause for the Authority to terminate the contract.

3.9 Subcontractors

The Authority must approve the use or replacement of subcontractors. Provide a list of potential subcontractors and a one-page resume for each subcontractor including brief descriptions of previous work and three references. Replacement of subcontractors may only be made in accordance with approval of the Project Manager and the terms of the final negotiated contract.

3.10 Disputes

Any contract dispute associated with this RFP or the contract will be resolved in accordance with AS 36.30 the state procurement code and regulations.

3.11 Contract Invalidation

If any provision of the contract awarded as a result of this RFP is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

3.12 Termination for Default

If the Contractor refuses or fails to perform the work, or any separable part thereof, with such diligence as will ensure its completion within the written contracted time frame, the Authority may, by written notice to the contractor, terminate the right to proceed with the work or such part of the work as to which there have been delays. This clause does not restrict AEA termination rights under the general contract provisions of Appendix A, which is attached to this RFP in the contract documents.

3.13 Conflict of Interest

The Contractor may be precluded from participating in future projects that are generated by or in conflict with the performance of this contract and may result in financial benefit to the Contractor.

3.14 Assignment

The Contractor may not assign any portion of the contract without prior written approval from the Procurement Officer and the Project Manager.

3.15 Contract Changes – Unanticipated Amendments

During the course of performing the work required by this contract, the Contractor may be requested to perform additional work within the general scope of the contract.

When additional work is required, the Project Manager shall forward to the Contractor a description of the work to be accomplished and request that a proposal be offered within a given time period. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400. No additional work shall commence by the Contractor without an approved written contract amendment by the Procurement Officer.

3.16 Right to Inspect Place of Business

At reasonable times, the Authority may inspect those areas of the Contractor's place of business that are related to the performance of a contract. If the Authority makes such an inspection, the contractor must provide reasonable assistance.

3.17 Confidentiality and Ownership of Documents

All data, maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents, computer files and all other data compiled by or received by the Contractor under this Contract shall be treated by the Contractor as confidential and shall be delivered only to the Authority's Project Manager or other authorized officials as required in the contract. Their contents shall not be made known by the Contractor to any person other than personnel of the Contractor performing services under this Contract without written consent of the Authority.

3.18 Reimbursement to the Authority for Unacceptable Deliverables

The Contractor is responsible for quality, occurrence and completion of all work identified by the contract. All work shall be subject to evaluation and inspection by the Authority at all times to assure satisfactory progress, to be certain that work is being performed in accordance with the contract specifications, terms and conditions, and to determine if corrections and modifications are necessary. Should such inspections indicate substantial failure on the part of the Contractor, the Authority may terminate the contract for default. Furthermore, the Authority may require the Contractor to reimburse any monies paid (pro rata based on the identified proportion of unacceptable products received) and any associated damage costs.

SECTION 4. BACKGROUND INFORMATION

4.1 The Bradley Lake Hydro Project

The project is a 120 Megawatt capacity hydroelectric project located 27 air miles southeast of Homer on the Kenai Peninsula. It provides approximately 10 percent of the Railbelt area electrical energy. The project consists of Bradley Lake, a 158 foot high concrete faced, rock filled dam structure, three diversion structures, a 19,152 ft. long power tunnel, generating plant, interior substation, 20 miles of transmission line, and substation. Due to its remote location, the project has its own airstrip, boat dock, residential quarters, and utility system.

The power generation potential of Bradley Lake was first studied by the U.S. Corps of Engineers and presented in a report dated March 1955. Congress authorized the project in 1962. Federal funds were not available for its construction until 1982. The Alaska Energy Authority (then Alaska Power Authority) assumed responsibility for the project in 1982. Preliminary plans and field investigations started in 1982. In April 1984, the Authority submitted an application for license to the Federal Energy Regulatory Commission (FERC). The license to construct the project was issued on December 31, 1985. Project was declared in commercial operation September 1, 1991

In December 1987 the Authority and the Railbelt utilities entered into a Power Sales Agreement that established the Bradley Lake Project Management Committee (BPMC). The purpose of the BPMC is to arrange for the operation and maintenance of the Bradley Lake Hydroelectric Project; and the scheduling, production and dispatch of power. The members of the BPMC are AEA and the five utilities that purchase power under the Agreement,

- Chugach Electric Association, Inc.,
- Municipality of Anchorage,
- Alaska Electric Generation & Transmission Cooperative, Inc. acting on behalf of Homer Electric Association, Inc. and Matanuska Electric Association, Inc.
- Golden Valley Electric Association, Inc. and
- City of Seward.

Section 13 of the agreement delineates other BPMC responsibilities that include:

1. Establish procedures for each party's water allocation;
2. Budget for annual Project costs and calculate each party's required contribution to fund annual costs;
3. Approve Project operations and maintenance arrangements. Optional Project work requires a majority affirmative vote and the affirmative vote of AEA.

From 1985 through 2000 AEA issued bonds for the long term financing of the construction costs of the Bradley Lake Hydro Projects and subsequent refunding of previous bond issuances. The outstanding Bradley Lake Bonds mature annually each July 1 through the year 2021.

Among other requirements the Bond Resolution's require bi-annual review of adequacy of insurance coverage by the State of Alaska Division of Risk Management or other qualified insurance consultant and filing of a report of the review with the bond trustee. Attachment A is a copy of that filing.

The Alaska Intertie

The Alaska Intertie transmission line is a 170-mile long, 345kV transmission line between Willow and Healy that is owned by AEA and operates at 138 kV. The project includes transmission towers and conductors, transformers at the Healy and Teeland Substations, and system stability devices at three locations that are necessary to allow the Railbelt Utilities to remain interconnected.

The Intertie was built in the mid-1980s with State of Alaska appropriations totaling \$124 million. As a result of the state funds there is no debt associated with this asset. However, the State is interested in having the appropriate amount of insurance for this project.

4.4 Current Insurance

Currently the Bradley Lake Hydro Project obtains insurance coverage through the Alaska Rural Electric Cooperative Association (ARECA) Insurance Exchange (AIE).

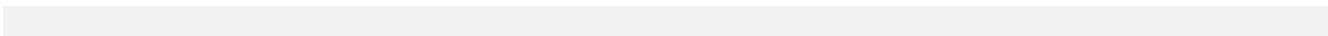
The following is a summary of the current insurance coverage for the Bradley Lake Hydro Project.

Coverage	Self-Insured Retention	Limits of Insurance
Property (all risk)	\$1M each loss	\$200M each loss
Earthquake & Flood	\$7,500,000 (subject to minimum \$100,000 each loss)	\$50 M Per Occurrence & Annual Aggregate
Boiler & Machinery	\$300,000	\$50M

The Bradley Lake Hydro Project 2015 Schedule of Values Total is \$411,734,036.

Currently the Alaska Intertie obtains insurance through ARECA Insurance Exchange. Following is a summary of the current insurance coverage for the Alaska Intertie.

Coverage	Self-insured Retention	Limits of Insurance
Commercial General Liability	\$25,000	\$10M per Occurrence & \$10M Annual Aggregate



SECTION 5. Scope of work

5.1 General Scope

The contractor will provide comprehensive insurance consultation and insurance marketing services (estimate, design, market, negotiate, place, and service) for Property including flood and earthquake; and Boiler and machinery for the Bradley Lake Hydro facility and liability for Alaska Intertie.

Upon request the contractor will also provide comprehensive risk management and insurance marketing services including risk identification, measurement, analysis and other services as defined in this scope of work.

5.2 Services

The contractor must be willing, able, and qualified to provide the services under 5.2.1 through 5.2.5. It is anticipated that the services listed in 5.2.1 through 5.2.3 will be provided on the basis of the lump sum annual fee and commissions based on the cost of insurance provided. Risk management and loss prevention services identified in paragraphs 5.2.4 and 5.2.5 are optional services that may be negotiated and added by amendment during the term of the contract. If additional services are requested, the contractor will be asked to provide a detailed proposal for those services. If an agreement cannot be reached on the scope, schedule or budget, the Agency reserves the right to obtain these services by any other means.

5.2.1. Insurance Marketing

1. Review the current property insurance program for adequacy and appropriateness of limits of protection, deductibles, and scope of coverage, including all terms, conditions, and exclusions, and report to AEA, BPMC, and the IMC any deficiencies or suggestions for improving coverage or reducing cost.
2. Personally visit the Bradley Lake facility and meet with appropriate operations staff to gain an understanding of physical risks and hazards as deemed necessary by broker.
3. Work with AEA, BPMC, and the IMC to collect and assemble all necessary underwriting information including but not limited to statements of values, specifications, and underwriting data required for marketing property insurance programs.
4. Make a written recommendation to AEA and the BPMC of the most appropriate option for property insurance considering but not limited to cost, scope of coverage, limits of protection, deductible, and financial security.
5. Prepare and submit to Bradley Lake management a market analysis and forecast for renewing insurance programs at least 90 days prior to renewal. Such analysis must identify pricing and service trends and availability of markets, including longer-term market projections.
6. Market and place any additional insurance coverages as they may arise during the term of the broker's contract.
7. Verify the accuracy and adequacy of all binders, policies, policy endorsements, invoices, claims runs, and other insurance-related documents prior to delivery.
8. Structure insurance programs properly to eliminate gaps or overlaps in coverage and provide the limits needed by Bradley Lake. Broker must review existing insurance and be very specific in its RFP response with respect to improvements it can achieve in coverage, limits, and cost.

5.2.2. Claims

1. Assist AEA, BPMC, and the IMC with the preparation of written claims procedures to be used by AEA, BPMC, and the IMC and the project operator personnel in reporting claims to insurer(s).
2. Assist AEA, BPMC, and the IMC in preparing proofs of loss and claims reports.
3. Provide expert assistance in obtaining loss settlements from insurers.
4. Follow up as necessary for subrogation recovery payments from insurers.
5. At least quarterly, provide AEA, BPMC, and the IMC a written status report of any claims.

5.2.3. Administration

1. Issue binders, certificates of insurance, endorsements, and other coverage verification documents as required in a timely manner.
2. Carefully read all insurance policies to ensure they are properly issued and provide the desired coverages. Communicate with AEA, BPMC, and the IMC regarding any coverage, cost, or service changes in renewal policies.
3. Prepare a written annual stewardship report. This report will describe the broker's past year's activities, future plans, status of claims, and goals for cost reduction, program enhancement, and contributions to Bradley Lake's insurance programs. Such report is to be presented to AEA and the BPMC annually prior to insurance renewals.
4. Respond to AEA, BPMC and the IMC questions regarding insurance coverages and related risk management issues and attend meetings as necessary.
5. Assist AEA, BPMC and the IMC in verifying and updating property values.

5.2.4. Risk Management Services

1. Conduct assessments of all property risks and provide AEA, IMC, and the BPMC with written reports of findings. State when this work would be performed.
2. Provide recommendations on coverage changes and program adjustments when needed.
3. Participate in the development and improvement of risk-control programs.
4. Identify and participate in the evaluation of risk-financing opportunities/alternatives that may be available to AEA, IMC, and the BPMC.
5. Assist in evaluating and appraising replacement cost of insured buildings, structures, and other property.

5.2.5. Loss Prevention

1. Review construction drawings and plans for acceptability to insurer's loss-prevention and fire-protection personnel prior to any major construction, or as needed.
2. Develop and help AEA, IMC, and the BPMC implement a hazard identification inspection plan.
3. Assist AEA, IMC, and the BPMC in identifying and correcting problem loss areas.
4. Review all insurance company recommendations for appropriateness and discuss with AEA, IMC, and the BPMC, including plans for compliance, or assist AEA, IMC, and the BPMC in negotiating alternate actions where compliance may not be possible or is not deemed appropriate by AEA, IMC, and the BPMC.

5.3 Deliverables

1. The contractor will provide property; and boiler and machinery insurance on an annual basis acceptable to AEA and the BPMC for the Bradley Lake Hydro Project.
2. The contractor will provide liability insurance on an annual basis acceptable to AEA and the IMC for the Alaska Intertie Project
3. The contractor will provide a written annual report outlining the status of the current program, and a preliminary marketing report describing the condition of the market(s) and general trends which might affect the Authority's insurance prior to the renewal of insurance each year. The report should also clearly outline suggestions for future marketing strategies and provide any other useful information that might benefit the Authority, IMC, and the BPMC.
4. Provide other work products as requested by AEA, IMC, or the BPMC during the period of the contract. These services will be negotiated and added by amendment.

5.4 Other Considerations

1. The Alaska Energy Authority has a small staff. The amount and type of communications between the agent/broker and the Authority varies, depending upon the type of insurance involved. However, in general, it can be stated that communications are required in the form of telephone conversations, email and letter correspondence, pre- and post- marketing reports, management status/quarterly reports, annual reports, and occasional meetings/presentations. The contractor(s) will be required to provide a written quarterly management report informing the Authority of the current status of claims involving excess layer penetration, changes in legislation/regulations and any trends or issues in the marketplace that might have an affect on the Authority's insurance. The contractor(s) may also be required, on an occasional basis, to provide assistance and support to the Authority or members of the BPMC or IMC in presentations.
2. This RFP is not an authorization to pre-approach insurance companies or other underwriting sources on behalf of the Authority for the purposes of preparing a response to this RFP or the oral presentation. The Authority specifically requests that no insurance market contact or solicitation be made at this time and that no insurance market reservations be made by or for any Offerors with respect to any insurance or reinsurance to be provided for the Authority. Failure to comply with this request may result in disqualification of the Offeror.

SECTION 6. PROPOSAL SUBMISSION FORMAT

The Authority requests that Offerors follow this format and should be limited to the requested information. Please keep proposals on task. The Authority is discouraging unnecessarily lengthy and costly proposal preparation, yet all proposals must contain the following information, formatted as requested.

Failure to follow this submission format, or failure to include complete information as requested, may result in a lower score or disqualification of the proposal depending on the severity of the discrepancy.

6.1 Introduction

Include a letter of transmittal containing the complete name and address of the firm; name, mailing address, and telephone number of the contact person for the proposal; Alaska Business license number or proof of having a valid Alaska business license as required by Section 2.10, and a statement confirming that the proposal is valid for ninety (90) days from closing date for receipt of proposals; a certification, as appropriate, that your firm qualifies as an Alaskan vendor in accordance with Section 2.16; and a statement with regard to any perceived or potential conflicts of interest.

Include a title page showing:

- RFP #
- Firm's Name
- Date of Proposal
- Include a Table of Contents.

6.2 Understanding of the Project and Commitment

Include a brief discussion of your understanding of the services required, your relevant experience and why this work would be a good fit for your company. Provide a brief summary of how you meet the minimum contractor requirements listed in section 1.2. Discuss similarities and differences between working with the Authority and the BPMC and other clients you may have.

Include a summary of any issues you believe may be encountered in the performance of the contract and creative suggestions for addressing these problems. Include your expectations of the Authority and the BPMC or other entities that may be involved in this process.

Describe your availability to commit to this work. Include other work or projects that you have or may have during the period of performance. Discuss any possible conflicts that could arise during the performance of work for the Authority and BPMC.

6.3 Project Approach and Work Plan

Refer to the scope of work identified in Section 5. You may present any creative approaches that might be appropriate. You may also provide supporting documentation that would be pertinent to the RFP. The Technical Proposal must contain a comprehensive description of services including the following elements:

1. Project Approach/Methodology for completing fixed price services identified in 5.2.1 through 5.2.3.
 - a. A conceptual plan to structure the Bradley insurance program. The plan must be in sufficient detail to convey to members of the evaluation team the contractor's knowledge of the subjects and the skills necessary to service this account.
 - b. A brief assessment of the Authority's current program, and if applicable, a proposed alternative program and rationale for any proposed alternatives.
2. Work Plan completing fixed price services identified in 5.2.1 through 5.2.3.
 - a. Include an implementation plan and schedule associated with the conceptual plan

- b. Include all project requirements and the proposed tasks, services, activities, etc. necessary to accomplish the scope of the project defined in this RFP.
- c. Include any required involvement of AEA or BPMC staff

3. Approach to providing additional services. 5.2.4 and 5.2.5.

Discuss how you would provide these additional services or other possible related services and how they may benefit the insurance program for Bradley.

6.4 Project Management, Experience and Qualifications

6.4.1 Project Management

In addition to demonstration of the minimum experience requirements detailed in Section 1.2 Offerors should provide a detailed summary of the Offeror including:

- Firm History
- Ownership and principal officers
- A description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors.
- An organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Include who within the firm will have primary responsibility and final authority for the work.
- Financial status with current financial statements (These may be kept confidential.)
- Experience relating to the services described in this RFP
- Office(s) that would provide the services and resources
- Major claims or lawsuits, if any, pending against the firm and that should be considered material to the firm's financial status or which could potentially affect the successful performance of this project
- Scope and limits of Errors & Omissions Liability insurance and Employee Dishonesty insurance currently in force

6.4.2 Personnel Experience and Qualification

Proposals should identify and describe the pertinent experience of the following personnel in the Offeror's firm who would act in the following capacities:

- The proposed Account Manager (AM)
- Other individuals who would provide support to the AM
- Marketing experts and other personnel who would be involved in servicing the account

Provide complete details on the functions to be performed by the above individuals and how their activities would be directed and coordinated. Include resumes of all key persons involved in the servicing of the account. For each person involved, describe their:

- Alaskan experience;
- Governmental entity and Utility experience;
- Experience with risks similar to AEA and the BPMC.

Include information about the current and expected workloads of key personnel so that an assessment can be made about adequacy of account management staffing and availability of key personnel for consultation as needed, and other servicing needs.

6.4.3 Firm References

Each proposal must include at least two letters of reference, from a current public entity or utility, which may be contacted by the Authority or the BPMC. Each reference letter should include the

name of the entity; name and title of the person responsible for the entities insurance; address, telephone number, and description of services performed and/or type of insurance placed; the date of such services and/or insurance placement(s); and the person(s) within the Offeror's firm who performed the described services. Additionally, the reference letter should explain their experience with the Offeror, including how well they performed, whether they would recommend the Offeror for similar work, and any positive or negative aspects relating to the Offeror's performance.

6.5 Cost Proposal

Offerors must complete the cost proposal form provided as Attachment C and provide additional back up as requested.

6.5.1. Costs for General Broker Services Set Forth in Sections 5.2.1, 5.2.2, & 5.2.3

The Offeror must submit a cost proposal based on an annual fixed price. The cost for these services should be broken down by tasks with a description of all anticipated labor, materials, and other expenses necessary to provide insurance marketing, administration, and claim identified in the sections noted. Costs should be provided for initial term and all additional renewal options.

6.5.2. Cost for Wholesaler/Not-to-Exceed Commission Percentages

The Offerors must provide not-to-exceed commission percentages when use of wholesalers is required. Offerors shall use their experience in the market as to commission percentages and are not to market the commission to wholesalers. Not-to-exceed commission percentages for wholesalers must be provided for Property; and, Boiler and Machinery Coverage.

6.5.3. Costs for Extra Services Set Forth in Sections 5.2.4 & 5.2.5.

The cost proposal must separately state an hourly rate (without travel expenses) for the extra services as described in sections 5.2.4 and 5.2.5. Offerors must include loaded labor rates for their own and subcontractors' key personnel that could be involved in providing these services.

SECTION 7. EVALUATION CRITERIA

7.1 Evaluation Process

A procurement evaluation committee consisting of at least three state employees or public officials shall evaluate proposals in accordance with 2 AAC 12.260 of the State Procurement code. Other representatives may be added if needed. Each member shall exercise independent judgment and no member's vote or score will be weighted more than any other.

Proposals will be opened and evaluated in a manner that avoids disclosure of the contents to competing vendors during the evaluation process and negotiations.

Proposals will initially be reviewed for the following minimum responsiveness requirements:

1. Was the proposal received by the deadline for receipt of proposals?
2. Has the vendor submitted evidence of having a valid Insurance license?
3. Does the contractor demonstrate they meet the minimum experience and qualifications requirements of Section 1.2 Minimum Qualifications?

Proposals that fail to meet these requirements will be rejected as non-responsive and will not be evaluated. The Evaluation Committee will evaluate the remaining proposals based on the evaluation criteria and weighting listed in this section.

After the Committee has completed its evaluation and a ranking is established, the Authority may begin negotiations with the highest ranked firm. However, if the committee desires, they may request additional information for the purpose of clarification (Section 2.20), or develop a list of proposals reasonably susceptible for award, or request best and final offers (Section 2.21). Re-evaluation of

proposals after discussions will be conducted by the same Evaluation Committee using the same criteria and weights laid out in this section.

In accordance with AS 36.30.240, vendors reasonably susceptible of being selected for award will be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.

7.2 Understanding of the Services Requested—5 Percent

Proposals will be evaluated against the questions set out below:

How well has the Offeror demonstrated a thorough understanding of the requirements of the services requested? How well has the Offeror identified pertinent issues and potential problems related to the services?

7.3 Technical Plan —20 Percent

Proposals will be evaluated against the questions set out below:

Overall, to what extent does the Offeror's proposed methodology depict a logical approach to fulfilling the requirements of the RFP?

- (a) **Technical Plan Methodology:** To what extent does the Offeror demonstrate that its methodology can meet the needs of AEA and the BPMC, including risk analysis; design of coverage forms; structure of offerings to be presented to underwriters such as the use of deductibles, self-insured retentions, and aggregate stop-loss coverages; layering of primary and excess coverages; use of subscription policies; how pricing would be determined; alternative risk transfer options, available services provided by insurers as part of the insurance marketing package?

To what extent does the Offeror have the access, contacts and/or associations with a broad spectrum of the Insurance Markets that will enhance the Offeror's ability to achieve the objectives set out in the RFP? To what extent has the Offeror demonstrated that the firm has the capability to place the Authorities' insurance program under favorable terms and price?

- (b) **Work Plan:** To what extent has the Offeror clearly demonstrated their ability to work with AEA and the BPMC to deliver the services required under a workable schedule.
- (c) **Other Work –** To what extent has the Offeror identified their ability to provide these additional services or other services that have been identified and how might they provide the Authority and the BPMC with the ability to better manage the insurance program for the Bradley facility?

7.4 Project Management, Experience, and Qualifications —25 Percent

To what extent does the Offeror's summary of the firm and project management plan demonstrate its ability to perform the services described in this RFP?

Do the proposed personnel have prior experience on similar projects? Does the proposed personnel have experience: 1) in Alaska, 2) with governmental entities and utilities, 3) with risks similar to the AEA and BPMC, and 4) marketing and servicing other large Alaska commercial accounts?

How experienced and knowledgeable are the Offeror's personnel of the unique insurance needs of AEA and BPMC with respects to the Bradley Lake Hydro Project? To what extent does the Offeror demonstrate the necessary knowledge and experience regarding the insurance needs of AEA and BPMC with respects to this project?

To what extent does the Offeror's staffing level appear sufficient to accommodate the services requested by the Authority and the BPMC? Do the resumes demonstrate desirable backgrounds and experience that would meet the needs of AEA and the BPMC with respects to this Project?

7.5 Contract Cost — 40 Percent

Overall, a minimum of 40% of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 2.18.

The distribution of points based on cost will be determined as follows, per AS 36.30.040, .210, .250, and 2 AAC 12.260(d). The lowest priced proposal receives the maximum number of points allocated to price for each cost category evaluated. Other allocations are determined by this formula:

$$\frac{(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})}{\text{Price of Each Higher Cost Proposal}} = \text{Points awarded for cost}$$

Cost proposals from Alaska vendors will be reduced by 5% for this calculation. Ref 2 AAC 12.260.

The total allocation of cost will be 40 points distributed as follows.

Annual fixed price cost criteria will be weighted at 20 points with the lowest annual fixed cost getting the maximum 20 points and other proposals being scored using the above formula.

Not-to-Exceed Commission Percentage for Wholesalers will be weighted at 15 points with the lowest total commission getting the maximum 15 points and the other proposals scored using the above formula and a base insurance cost listed on the form.

The other cost section will be weighted at 5 points and will be based on a matrix using the loaded hourly rates of key staff that may be assigned to do additional work. For the purposes of evaluation only the Account Rep and Risk Manager rates will be evaluated. All other rates provided will be used as basis for future negotiations.

7.6 Alaskan Offeror's Preference (10 Percent)

If an Offeror qualifies for the Alaskan Bidder Preference, the Offeror will receive an Alaskan Offeror's Preference. The preference will be 10 percent of the total available points. This amount will be added to the overall evaluation score of each Alaskan Offeror.

7.7 Vendor Selection

Upon completion of the evaluations, the Procurement Officer will review the evaluation process to assure procedures were followed in accordance with this RFP and existing state of Alaska statutes and regulations. This process may include reviewing score sheets, proposals, discussions or any other materials presented to the Evaluation Committee. The Procurement Officer may recommend that proposals be reevaluated prior to beginning negotiations if there is reason to suspect an error was committed during the evaluation process.

The final decision of the Evaluation Committee will be documented in writing and made a part of the contract file. The Evaluation Committee will recommend for negotiations to the Procurement Officer the Contractor whose proposal best meets the requirements of the project based on the criteria outlined in this RFP.

The top ranked Offeror will be required to provide the following information during contract negotiations and before award of the contract.

- Alaska Business Licenses as may be required by the Department of Commerce, Community, and Economic Development for any subcontractors.
- Certificate of Insurance
- Additional information that may be needed for clarification of the Contractor's proposal.

STANDARD AGREEMENT FORM FOR PROFESSIONAL SERVICES

1. Agency Contract Number 16059		2. ASPS Number 2016-0800-3289		3. Financial Coding		4. Agency Assigned Encumbrance		
5. Vendor Number			6. Project/Case Number			7. Alaska Business License Number		
This contract is between the State of Alaska,								
8. Department of Alaska Energy Authority				Division			Hereafter the State,	
9. Contractor <p align="right">Hereafter The Contractor</p>								
Mailing Address		Street or P.O. Box		City		State		ZIP+4
<p>10.</p> <p>ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.</p> <p>ARTICLE 2. Performance of Service:</p> <p>2.1 Appendix A (General Provisions), Articles 1 through 14, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p>ARTICLE 3. Period of Performance: The period of performance for this contract begins _____, and Ends _____.</p> <p>ARTICLE 4. Considerations:</p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$_____ in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>								
11. Department of				Attention: Division of				
Mailing Address				Attention:				
12. CONTRACTOR								
Name of Firm				<p>14. CERTIFICATION: I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.</p>				
Signature of Authorized Representative			Date					
Typed or Printed Name of Authorized Representative								
Title								
13. CONTRACTING AGENCY								
Department/Division				Signature of Head of Contracting Agency or Designee			Date	
Signature of Project Director				Typed or Printed Name				
Typed or Printed Name of Project Director				Title				

NOTICE: This contract has no effect until signed by the head of contracting agency or designee.

APPENDIX A GENERAL PROVISIONS

Article 1. Definitions.

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the Authority for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

Article 2. Inspection and Reports.

- 2.1 The Authority 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. Disputes.

- 3.1 Any dispute concerning a question of fact arising under this contract, which is not disposed of by mutual agreement, shall be decided in accordance with AS 36.30.620-632. .

Article 4. Equal Employment Opportunity.

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or 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.
- 4.2 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, disability, sex, and marital status, changes in marital status, pregnancy or parenthood.
- 4.3 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' compensation 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.
- 4.4 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 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.

- 4.5 The contractor shall cooperate fully with state efforts which seek 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.
- 4.6 Full cooperation in paragraph 4.5 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 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.
- 4.7 Failure to perform under this article constitutes a material breach of the contract.

Article 5. Termination.

The Project Director, 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 6. No Assignment or Delegation.

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 Project Director and the Agency Head.

Article 7. 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 not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

Article 8. 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 9. 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 their 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 10. Ownership of Documents.

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire 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 Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

Article 11. Governing Law.

This contract is governed by the laws of the state of Alaska. All actions concerning this contract shall be brought in the Superior Court of the state of Alaska.

Article 12. Conflicting Provisions.

Unless specifically amended and approved by the department of Law the General Provisions of this contract supersede any provisions in other appendices.

Article 13. Officials Not to Benefit.

Contractor must comply with all applicable federal or state laws regulating ethical conduct of public officers and employees.

Article 14. 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, brokerage or contingent fee 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.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Administration

DIVISION OF RISK MANAGEMENT

10th Fl. State Office Building
PO Box 110218
Juneau, Alaska 99811-0218
Main: 907.465.2180
Fax: 907.465.3690
www.doa.alaska.gov/drm

RECEIVED
JUN 09 2014
AIDEA
AEA

June 5, 2014

Bryan Carey
Alaska Energy Authority
813 West Northern Lights Blvd.
Anchorage AK 99503

Dear Bryan:

Re: Bradley Lake Hydroelectric Project - Insurance Review

I have reviewed the property and casualty insurance programs protecting Bradley Lake Hydroelectric Project facilities and AEA for their related activities per bonding covenant sections 714(b), (c), & (d).

For FY2015, ARECA has placed an all risk (including perils of flood and earthquake) property policy providing \$50 million per occurrence as the primary underlying policy with a \$1 million self-insured retention for all perils excepting Flood and Earthquake with a \$7.5 million SIR.

EQECAT, Inc., a catastrophe risk modeling firm, has been retained for a consulting engagement to visit the Bradley Lake and visually inspect the facilities, and perform a Probable Maximum Loss (PML) analysis. Engagement deliverables include a letter report update to the 2005 Earthquake PML Study. In addition to estimates of property damage associated with the dam, buildings and inventories, estimates will be provided for business interruption and contingencies. Policy limits will need to be reassessed once the study is completed.

Please call me at (907) 465-5723 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Leasa Davis".

Leasa Davis
Claim Administrator

ATTACHMENT A

APPENDIX B²
INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting Contractor's indemnification, it is agreed that Contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the Contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

2.4 Professional Liability Insurance: covering all errors, omissions or negligent acts in the performance of professional services under this agreement. Limits required per the following schedule:

Contract Amount	Minimum Required Limits
Under \$100,000	\$300,000 per Occurrence/Annual Aggregate
\$100,000-\$499,999	\$500,000 per Occurrence/Annual Aggregate
\$500,000-\$999,999	\$1,000,000 per Occurrence/Annual Aggregate
\$1,000,000 or over	Refer to Risk Management

Attachment C – Price work sheet.

Annual Costs for General Broker Services Set Forth in Section 5.2.1, 5.2.2, & 5.2.3,

The Offeror must submit a cost proposal based upon an annual fixed price. The cost for these services should be broken down by tasks with a description of all anticipated labor, materials, and other expenses necessary to provide insurance marketing, administration, and claim identified in the sections noted. Costs should be provided for all years including renewal options.

Lump Sum Annual Fixed Price Bradley Lake Hydro

January 2016 – June 30, 2016	Initial 6 months	Not Applicable
July 1, 2016 – June 30, 2017	Annual	\$
July 1, 2017 - June 30, 2018	Annual	\$
July 1, 2018 – June 30 2019	Annual	\$
July 1, 2019 – June 30 2020	Annual	\$
July 1, 2020 – June 30 2021	Annual	
	Total	\$

Lump Sum Annual Fixed Price Alaska Intertie

January 2016 – June 30, 2016	Initial 6 months	\$
July 1, 2016 – June 30, 2017	Annual	\$
July 1, 2017 - June 30, 2018	Annual	\$
July 1, 2018 – June 30 2019	Annual	\$
July 1, 2019 – June 30 2020	Annual	\$
July 1, 2020 – June 30 2021	Annual	
	Total	\$

Cost for Wholesaler/Not-to-Exceed Commission Percentages

The Offerors must provide not-to-exceed commission percentages when use of wholesalers is required. Offerors shall use their experience in the market as to commission percentages and are not to market the commission to wholesalers. Not-to-exceed commission percentages for wholesalers must be provided for Property and Boiler and Machinery Coverage.

Bradley Lake Hydro

Insurance Type	Estimated Premium Cost for Evaluation Purposes	% of Commission
Property	\$458,000.00	
Boiler & Machinery	\$45,000.00	

Alaska Intertie

Insurance Type	Estimated Premium Cost for Evaluation Purposes	% of Commission
Liability (\$1M/Occurrence)	\$9,000.00	
Excess Liability (\$10M/Occurrence)	\$13,000.00	

Costs for Extra Services Set Forth in Sections 5.2.4 & 5.2.5.

The cost proposal must separately state an hourly rate (without travel expenses) for the extra services contemplated in sections 5.2.4 and 5.2.5. Offerors must include loaded labor rates for their own and subcontractor's key personnel that could be involved in providing these services. For the purposes of evaluation only the Account Rep and Risk Manager rates will be evaluated. All other rates provided will be used as basis for future negotiations.

<i>Function</i>	<i>Company Name</i>	<i>Employee Name</i>	<i>Position title</i>	<i>Loaded Hourly Rate</i>
Account Rep or Project Manager				
Risk Manger				
(Others)				