

**CITY OF PALMER  
ACTION MEMORANDUM NO. 12-006**

**Subject:** Authorize the City Manager to Execute Change Order Number Two (2) with Prosser-Dagg Construction Company for Contract Changes for the Lift Station and Sewer System Rehabilitation (Lift Station Number Three) Project in the Total Amount of \$21,450.79

**Agenda of: January 10, 2012**

**Council Action:** Authorized \_\_\_\_\_

**Approved for presentation by:**

City Manager  
City Attorney  
City Clerk

*Douglas B. Griff*  
\_\_\_\_\_  
*JH*

Approved based on administrative recommendation *[Signature]*

**Certification of Funds:**

Total amount of funds listed in legislation: \$ 21,450.79

This legislation (√):

Has no fiscal impact

Funds are budgeted from this (these) line item(s): ➤ 24-01-08-6225 Const

Funds are not budgeted. Budget modification is required. Affected line item(s):

Unrestricted/undesignated fund balance (after budget modification) \$ \_\_\_\_\_

Director of Finance signature certifying funds: *[Signature]*

**Attachment(s):**

- Change Order Number 2 (Unsigned Form)
- Resolution no. 10-044

**Summary statement:** On July 13, 2010, the Palmer City Council passed Resolution no. 10-044, accepting and appropriating grant no. 11-DC-328 from the State of Alaska Department of Commerce, Community and Economic Development (DCCED) in the amount of \$750,000 for the lift station and sewer system rehabilitation project, also known as lift station #3. The plan sheets provided by the design engineer omitted certain items which were later deemed to be necessary for the project. The inclusion of these items resulted in several changes. The administration has reviewed these change orders and has concluded that these changes could not have been anticipated by the design engineer. The project has been successfully completed with 10 additional changes which are being grouped together as Change Order #2. Those items include:

CO2-1 Added sealing of exterior block work (CMU).	\$550.00
CO2-2 Added hatch to provide access to attic.	\$568.70
CO2-3 Added interior kick plate.	\$551.10
CO2-4 Relocated electrical service.	\$8,825.44
CO2-5 Modified existing electrical drop which serves Crowley.	\$2,380.53
CO2-6 Modified crane rail to fit into building.	\$270.00
CO2-7 Increased valve vault size.	\$2,404.63

CO2-8 Increased pipe size between vaults from 10" to 18".	\$1,250.00
CO2-9 Credit for 54' of 12" pipe not used.	(\$1,841.40)
CO2-10 Additional Type II classified fill.	\$6,491.79
<hr/>	
Total amount of Change Order Two	\$21,450.79

**Administration recommendation:** Approve action memorandum no. 12-006.

# CHANGE ORDER

PROJECT: Lift Station No. 3 Replacement  
Palmer, Alaska

CHANGE ORDER NUMBER: 002

INITIATION DATE: 10/28/2011

PROJECT NO: 1730

TO: Prosser-Dagg Construction, Co.  
1301 S Felton Street  
Palmer, Alaska 99517

CONTRACT DATE: 01/14/2011

NOTICE TO PROCEED: 02/22/2011

This Change Order changes the following items:

**1.0 ADD the following items to the Contract:**

Item	Work Description	Quantity	Units	Unit Price	Total Price
CO2-1	RFI FE-07, Added CMU sealing.	1	LS	550.00	\$ 550.00
CO2-2	RFI FE-08, Added attic hatch	1	LS	568.70	\$ 568.70
CO2-3	Added interior composite kick plate.	1	LS	551.10	\$ 551.10
CO2-4	MEA, Relocate service to lift station.	1	LS	8,825.44	\$ 8,825.44
CO2-5	MEA, Modify existing Crowley service drop.	1	LS	2,380.53	\$ 2,380.53
CO2-6	Modify crane rail to fit into building.	1	LS	270.00	\$ 270.00
CO2-7	RFI PDCC-3, Increase valve vault size.	1	LS	2,404.63	\$ 2,404.63
CO2-8	Increase pipe between Strainer Well and Wet Well from 10" to 18".	1	LS	1,250.00	\$ 1,250.00
CO2-9	Credit for returning unused 54' of 12" pipe.	54	LF	34.10	\$ (1,841.40)
<b>SUBTOTAL 1</b>					<b>\$ 14,959.00</b>

**2.0 ADJUST the Contract quantities for the following bid items to the actual quantity installed:**

Item	Work Description	Quantity	Units	Unit Price	Total Price
CO2-10	Additional A-6, Furnish & Install classified fill, Type II.	153	CY	42	\$ 6,491.79
<b>SUBTOTAL 2</b>					<b>\$ 6,491.79</b>
<b>NET CHANGE IN CONTRACT SUM</b>					<b>\$ 21,450.79</b>

Note: All work shall be in accordance with the Contract Documents and must be approved by the Project Engineer and the Owners agent.

NOT valid until signed by both the Owner and the Owner's Agent. Signature of the Contractor indicates agreement herewith, including any adjustments in the Contract Sum or Contract Time.

The original Contract Sum was	\$ 774,482.03
Net change by previously authorized Change Orders	\$ 5,091.60
The Contract Sum prior to this Change Order was	\$ 779,573.63
The Contract Sum will be (Increased) by this Change Order	\$ 21,450.79
The new Contract Sum including this Change Order will be	\$ 806,116.02
The Contract Time for Substantial Completion is <del>(increased)</del> <del>(decreased)</del> (unchanged)	0 days
The Substantial Completion as of the date of this Change Order therefore is	08/24/11
The Contract Time for Final Acceptance is <del>(increased)</del> <del>(decreased)</del> (unchanged)	0 days
Final Acceptance as of the date of this Change Order therefore is	09/20/11

BY ACCEPTING THIS CHANGE ORDER, THE CONTRACTOR AGREES THAT THE AMOUNT PAID FOR ON THE ABOVE ITEMS IS EQUITABLE AND THAT NO FURTHER COMPENSATION FOR THE ABOVE ITEMS WILL BE MADE.



**CITY OF PALMER INFORMATION MEMORANDUM No. 10-060**

**SUBJECT:** Resolution No. 10-044: Accepting and Appropriating Grant No. 11-DC-328 from the State of Alaska Department of Commerce, Community and Economic Development (DCCED) in the Amount of \$750,000 for the Lift Station and Sewer System Rehabilitation

**AGENDA OF: July 13, 2010**

<b>Council action:</b>	<b>Adopted</b>
------------------------	----------------

**Approved for presentation by B.B. Allen, City Manager** *B.B. Allen*

Route To:	Department/Individual:	Initials/Date:	Remarks:
X	Originator – Public Works	<i>RL</i>	
X	City Clerk	<i>JR</i> 7/7/10	
X	City Attorney	<i>[Signature]</i> 7/7/10	
X	Director of Administration	<i>[Signature]</i>	
	Director of Community Development		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

**Attachment(s):** Resolution 10-044  
 Department of Commerce, Community and Economic Development  
 Designated Legislative Grant Agreement 11-DC-328

**Certification of Funds:**

	No fiscal impact.	
	Funds are budgeted from this account number:	
X	Funds are not budgeted. Budget modification is required. Affected account number: 24-00-00-3XXX & 24-20-08-6XXX	\$750,000

Director of Administration Signature: *[Signature]*

**Summary statement:** The State of Alaska Department of Commerce, Community, and Economic Development (DCCED) awarded grant no. 11-DC-328 to the City of Palmer in the amount of \$750,000 to upgrade Lift Station no. 3.

Lift Station 3 Rehab for Sewer System was the third priority on the 2010 Legislative Fast Track Priority Capital Improvements Project list which was adopted by the City Council on October 13, 2009, with IM 09-063 and Resolution 09-047.

**Background:**

The lift station was built in 1982 without hazardous confined space provisions or standby power generator system. The existing control panels and pumps, including one inoperable pump, are in urgent need of upgrades. One of the two pumps at the lift station quit working three weeks ago. These pumps are critical and support the downtown area. The pumps are thirty years old and the controls are located below grade in a confined space entry classification. Currently, if the power fails, there are no provisions to operate the lift stations on site. Pumps have been bound or clogged by debris and material items which were introduced into the City's sewer system upstream of the lift station. There are limited remote alarm notifications of pump failure therefore, the pumps are manually monitored by personnel.

The construction project replaces the existing wastewater lift station. Work components include: demolition and removal of one existing dry well, removal of 45 lineal feet of existing sewer mainline, installation of one new lift station building with cutter pumps and electrical components, installation of approximately 35 lineal feet of 10" ductile iron sewer main and refurbishment of existing wet well.

Construction drawings have been completed by Larsen Consulting Group, Inc. Action Memorandum (AM) 09-013 approved on February 10, 2009 executed the Professional Services Agreement (PSA) in the amount of \$70,000.

The project costs are as follows:

<b>Scope of Budget</b>	
<b>Funding</b>	
DCCED 11-DC-328	\$ 750,000
<b>Expenses</b>	
Administration	\$ 75,000
Project Design	
Engineering Management	\$ 54,316
Construction	\$ 564,284
Contingency	\$ 56,400
<b>Scope of Budget Total</b>	<b>\$ 750,000</b>

**Administration recommendation:** Adopt resolution no. 10-044.

Introduced by: City Manager Allen  
Date: July 13, 2010  
Action: Adopted  
Vote: Unanimous

Yes:	No:
Erbey	
Brown	
Hanson	
Best	

CITY OF PALMER, ALASKA

RESOLUTION NO. 10-044

A RESOLUTION OF THE PALMER CITY COUNCIL ACCEPTING AND APPROPRIATING GRANT No. 11-DC-328 FROM THE STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT IN THE AMOUNT OF \$750,000 FOR THE LIFT STATION AND SEWER SYSTEM REHABILITATION

WHEREAS, the City of Palmer has been awarded a State of Alaska Department of Commerce, Community and Economic Development grant no. 11-DC-328 in the amount of \$750,000; and,

WHEREAS, the funds will be used to upgrade Lift Station no. 3.

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council that the City of Palmer accepts, appropriates, and approves the scope of work and budget for the grant from the Alaska Department of Commerce, Community and Economic Development to upgrade Lift Station no. 3 and authorizes the city manager to execute the documents required to enter into this grant agreement.

BE IT FURTHER RESOLVED that the Palmer City Council approves the scope of work and budget.

SCOPE OF WORK

Construct and replace the existing wastewater lift station no. 3 to include demolition and removal of one existing dry well, removal of 45 lineal feet of existing sewer mainline, installation of one new lift station building with cutter pumps and electrical components, installation of approximately 35 lineal feet of 10" ductile iron sewer main and refurbishment of existing wet well.

**Scope of Budget**

**Funding**

DCCED 11-DC-328                      \$        750,000

<b>Expenses</b>		
Administration	\$	75,000
Project Design		
Engineering Management	\$	54,316
Construction	\$	564,284
Contingency	\$	56,400
<hr/>		
<b>Scope of Budget Total</b>	<b>\$</b>	<b>750,000</b>

Passed and approved by the City Council of the City of Palmer, Alaska this thirteenth day of July, 2010.

*/s/*

---

Richard W. Best, Mayor Pro-Tempore

*/s/*

---

Janette M. Bower, MMC, City Clerk



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>11-DC-328</b>		Amount of State Funds <b>\$750,000.00</b>	
Collocation Code(s)	Encumbrance Number/AR/Lapse Date / <b>8397</b> / <b>6/30/2014</b>	Project Title <b>Lift Station &amp; Sewer System Rehabilitation</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of Palmer		Name Kimberly Phillips	
Street/PO Box 231 W. Evergreen Avenue		Title Grants Administrator II	
City/State/Zip Palmer, Alaska 99781		Street/PO Box 211 Cushman St.	
Contact Person Mayor John Combs		City/State/Zip Fairbanks, AK 99701	
Phone 761-1301	Fax 745-0930	Phone 451-2718	Fax 451-2742

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **City of Palmer** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$750,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this agreement begins 7/1/2010 and shall be completed no later than 6/30/2015.

**Section IV.** The agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Narrative
  4. Project Management/Reporting
  5. Forms Packet

- Attachment B: Payment Method  
Attachment C: Standard Provisions

APPENDICES

- Appendix A: Audit Regulations  
Appendix B: Audit Compliance Supplement  
Appendix B2: Insurance  
Appendix C: State Laws and Regulations  
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)  
Appendix E: Site Control  
Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

<b>Grantee</b>	<b>Department</b>
Signature	Signature
Printed Name and Title John Combs, Mayor	Printed Name and Title Janet Davis, Grant Administrator III
Date	Date

Reviewed by: \_\_\_\_\_

# Attachment A Scope of Work

## 1. Project Description

The purpose of this FY 2010 Designated Legislative Grant in the amount of \$750,000 [pursuant to the provisions of AS 37.05.315, SLA 2009, Chapter 43, Section 10, Page 104, and Lines 13-15] is to provide funding to the City of Palmer for use towards the Lift Station & Sewer System Rehabilitation. This project may include, but is not limited to, replacing the existing 30 year old wastewater lift station and pumps with below-grade pump controls, to new grinder style pumps, provide back-up power and a new above-grade Supervisory Control and Data Acquisition (SCADA) control system integrated into the City's internet-based monitoring system.

Work components include: demolition and removal of one existing dry well, removal of existing sewer mainline, installation of one new lift station building with cutter pumps and electrical components, installation of iron sewer main and refurbishment of existing wet well.

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

## 2. Project Budget

Cost Category	Grant Funds	Total Project Cost
Program Funds	\$750,000	\$750,000

## 3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

#### **4. Project Management/Reporting**

This project will be managed by the Grantee.

If the Grantee is a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Mayor. The Mayor may delegate signatory authority for executing the Grant Agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the City government, unless otherwise approved by the Department.

If the Grantee is not a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Chief Executive Officer (CEO). The CEO may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The CEO may also designate financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a **Designated Legislative Grant Financial/Progress Report Form** (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are **due fifteen (15) days** after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

#### **5. Grant Forms Packet**

The following page, which includes the Designated Legislative Grant Financial/Progress Report Form, is to be used by the Grantee for monthly/quarterly reporting. Additional copies of this form are available from the Department, electronically or in hard copy.

## **Attachment B Payment Method**

### **1. Advance/Reimbursement Payment**

Upon full execution of this Grant Agreement, a State treasury warrant in an amount not to exceed 20% of the amount in Section I may be released upon request. Additional State treasury warrants will be released on a reimbursement basis upon receiving and approving a Grantee's financial/progress reports. The Department will reimburse the Grantee for costs incurred during the reporting period, in accordance with this Grant Agreement. The Department will not reimburse without approved financial/progress reports, prepared and submitted by the Grantee on the form provided in Attachment A. Before approving the financial/progress report for payment, the Department may require the Grantee to submit documentation of the costs reported (e.g., vendor billings, signed timesheets, invoices).

If cost reimbursement significantly inhibits the Grantee's ability to implement the project, the Department may advance to the Grantee an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the amount in Section I, whichever is less.

Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form along with documentation of costs associated with the advance. The "Request for Advance Payment" form can be obtained from the Department electronically or in hard copy.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Department when requested to do so by the Department, or at termination of the Grant Agreement.

### **2. Withholding of Ten Percent (10%)**

The Department may withhold ten percent (10%) of the amount in Section I until the Department determines that the Grantee has satisfactorily completed the terms of this grant agreement, including all required reporting of the project.

**Department of Commerce, Community and Economic Development  
Division of Community and Regional Affairs  
DESIGNATED LEGISLATIVE GRANT FINANCIAL/PROGRESS REPORT  
AND REQUEST FOR REIMBURSEMENT**

<b>Grantee:</b> City of Palmer	<b>Grant Number:</b> 11-DC-328
<b>Project Title:</b> Lift Station & Sewer System Rehabilitation	<b>Report Number:</b>  <b>Report Period:</b> From: _____ To: _____

*Note: Financial Report/Request for Reimbursement must include Progress Report narrative.*

Cost Category	Authorized Budget	Grant Expenditures This Period	Total Grant Expenditures To Date	Balance of Grant Funds
Program Funds	\$750,000			
Administration				
<b>Total This Report</b>				

Current Advance Balance (if any)			
Total Grant Expenditures This Period		Total Grant Award	\$750,000
LESS Advance Recovered This Report (if any)		LESS Total Grant Expenditures to Date	
<b>NET REIMBURSEMENT TO GRANTEE</b>		LESS Unrecovered Advance Balance (if any)	
Advance Balance Remaining (if any)		<b>TOTAL Grant Funds Remaining</b>	

**PROGRESS REPORT:** Describe activities that occurred during this report period. Identify any problems you may be experiencing. Attach additional pages if necessary.

---

---

---

---

---

---

---

---

---

---

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

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

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

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

## **Attachment C Standard Provisions**

### **Article 1. Definition**

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

### **Article 2. Indemnification**

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

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

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

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

### **Article 4. Waivers**

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

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

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

### **Article 6. Reports**

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

### **Article 7. Retention of Records**

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

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

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

**Article 14. Conflict of Interest**

The Grantee shall bind all subcontractors to each and every applicable Grant Agreement provision. Each subcontract for work to be performed with funds granted under this Grant Agreement shall specifically include a provision that the Department and the State of Alaska are not liable for damages or claims from damages arising from any subcontractor's performance or activities under the terms of the subcontracts. The Grantee shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its designation of any third party or parties of the undertaking of all or any part of the project described herein. Any subcontractor that is not the Grantee shall be required by the Grantee to comply with all the provisions of this Grant Agreement.

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

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

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

**Article 12. Recordkeeping**

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

**Article 11. Amendments and Modifications**

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

**Article 10. Program Income**

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

**Article 9. Financial Management and Accounting**

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

**Article 8. Assignability**

**Article 15. Political Activity**

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

**Article 16. Notices**

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

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

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

**Article 18. Termination by Mutual Agreement**

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

**Article 19. Termination for Cause**

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

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

**Article 20. Withdrawal of Funds**

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

**Article 21. Recovery of Funds**

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

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

**Article 22. Disputes**

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

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

**Article 23. Jurisdiction**

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

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

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

**Article 25. Site Control**

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

**Article 26. Insurance**

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

**Article 27. Subcontracts for Engineering Services**

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

**Article 28. Governing law**

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

**Article 29. Budget Flexibility**

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

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

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

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

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

**Article 31. Public Purposes**

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

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

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

**Article 32. Operation and Maintenance**

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

**Article 33. Assurance**

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

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

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

**Article 35. Severability**

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

**Article 36. Performance**

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

**Article 37. Sovereign Immunity**

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

**Article 38. Audit Requirements**

The Grantee shall comply with the audit requirements established by 02 AAC 45.010, set forth in Appendix A of this Grant Agreement.

**Article 39. Close-Out**

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

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

**Article 40. Americans with Disabilities Act**

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

# Appendix A

## Audit Regulations

### CHAPTER 45. GRANT ADMINISTRATION

#### 2 AAC 45.010. AUDIT REQUIREMENTS

- (a) A state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the department an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section must be contained in any financial assistance agreement subject to this subsection.
- (b) An entity that expends financial assistance with a cumulative total of \$500,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the department, by
- (1) the earlier of
    - (a) 30 days after the entity receives its audit report for the audit period; or
    - (b) nine months after the end of the audit period; or
  - (2) a later date than the date calculated under (1) of this subsection, if
    - (a) the state agency that provides the financial assistance agrees to the change of date; and
    - (b) the agreement under (a) of this paragraph is made in
      - (i) writing; and
      - (ii) advance of the date calculated under (1) of this subsection.
- (c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period:
- (1) *Government Auditing Standards, July 2007 Revision* adopted by the comptroller general of the United States, and adopted by reference;
  - (2) Generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in the *Codification of Statements on Auditing Standards* in effect as of January 1, 2008 for the type of entity being audited, adopted by reference;
  - (3) *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, May 2008 revision, prepared by the department, adopted by reference.
- (d) An audit required under this section must report on the following: (1) The system of internal controls of the entity and the auditor's identification of significant deficiencies and material weaknesses of the entity, using the applicable standards set out in (c) of this section; (2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify findings and known questioned costs that exceed \$5,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited; (3) the entity's financial statements; (4) the schedule of state financial assistance; and (5) the schedule of findings and questioned costs.
- (e) As part of an audit report required under this section, a recipient must provide (1) written comments on any (A) findings; (B) known questioned costs; (c) significant deficiencies, including material weaknesses; and (D) recommendations contained in the audit report; (2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report; (3) the status of the entity's implementation of any plans for corrective actions related to (A) the audit reports required under this section for the fiscal year before the audit period; and (B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and (4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.
- (f) An audit report required under this section need not evaluate the effectiveness of a program funded by state financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.

- (g) An audit required by this section must cover the entire operations of the entity.
- (h) An entity shall provide the department with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The department will determine if auditing standards have been met and will forward a copy of the audit to the appropriate state agencies. The department will coordinate the assignment of the resolution to one state agency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.
- (i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on audits required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.
- (j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses \$500,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.
- (k) Repealed 7/1/98.
- (l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.
- (m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section:
  - (1) community revenue sharing money provided under AS 29.60.850 - 29.60.879;
  - (2) Repealed 3/31/2008.
  - (3) aviation fuel tax money provided under AS 43.40.010;
  - (4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570;
  - (5) alcoholic beverage license fee refunds provided under AS 04.11.610;
  - (6) fisheries tax refunds provided under AS 29.60.450, AS 43.75.130, and AS 43.77.060;
  - (7) PERS/TRS relief funding under money appropriated to pay employer unfunded liability attributable to the entity under AS 14.25 and AS 39.35.
- (n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.
- (o) Repealed 7/1/98.

(Eff. 8/1/85, Register 95; am 6/29/90, Register 114; am 7/1/98, Register 146; am 3/31/2008, Register 185; am 8/1/2008, Register 187)

Authority: AS 37.05.020 AS 37.05.190

## **2 AAC 45.060. EXTERNAL QUALITY REVIEW OF AUDIT ORGANIZATION**

Repealed.

(Eff. 7/1/98, Register 146; repealed 3/31/2008, Register 185)

## **2 AAC 45.070. APPLICABILITY**

- (a) The amended version of this chapter, effective August 1, 2008, applies to an audit for an audit period that begins or continues after August 1, 2008.
- (b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective August 1, 2008, for an audit period beginning on or after July 1, 2007 and ending on or before July 31, 2008, by voluntarily submitting
  - (1) an audit that complies with those provisions; or

(2) a statement that an audit is not required under provisions of 2 AAC 45.010(b).

(Eff. 7/1/98, Register 146; am 3/31/2008, Register 185; am 8/1/2008, Register 187)

Authority: AS 37.05.020 AS 37.05.190

## **2 AAC 45.080. EXEMPTIONS FROM FINANCIAL ASSISTANCE**

(a) For purposes of this chapter, "financial assistance" does not include the following: (1) public assistance provided under AS 47; (2) goods or services purchased for the direct administration or operation of state government; (3) moneys advanced to an entity under one or more state loan programs; (4) power cost equalization payments made to an electric cooperative on behalf of its customers; (5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.

(b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

(Eff. 7/1/98, Register 146)

Authority: AS 37.05.020 AS 37.05.190

## **2 AAC 45.090. DEFINITIONS**

For purposes of this chapter, unless the context otherwise requires,

- (1) "audit period" means the entity's fiscal year in which the entity expended financial assistance;
- (2) "entity" does not include (A) the University of Alaska or any other state agency; (B) a for-profit entity; and (c) a non United States based entity;
- (3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
- (4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
- (5) Repealed 3/31/2008;
- (6) "department" means the Department of Administration;
- (7) "significant deficiencies" has the meaning given in Section 5.11a. of the Government Auditing Standards adopted by reference in 2 AAC 45.010(c).

(Eff. 7/1/98, Register 146; am 3/31/2008, Register 185)

Authority: AS 37.05.020 AS 37.05.190

## Appendix B

### Audit Compliance Supplement

### Grants to Municipalities

#### 1. Program Objectives

Authorized and administered under AS 37.05.315 - .325, grants to municipalities are made at the discretion of the Legislature. The grants are designated for use on various capital projects and activities.

#### 2. Program Procedures

Once the authorizing legislation becomes effective, a grant agreement specifying the purpose, terms, and conditions of the grant is executed with the municipality.

#### 3. Compliance Requirements and Suggested Audit Procedures

##### A. Types of Services Allowed and Unallowed

**Compliance Requirement** Grant funds can be expended for a variety of purposes as provided for in the authorizing legislation and as specified in the grant agreement.

**Suggested Audit Procedure** Review the grant agreement and related records to determine if the funds were expended in accordance with the terms of the agreement.

**Compliance Requirement** The facilities and services provided by the grant must be available for use of the general public.

**Suggested Audit Procedure** Determine whether the facilities and services provided by the grant are available for the use of the general public.

##### B. Eligibility

The auditor is not expected to make tests for recipient eligibility.

##### C. Matching, Level of Effort and/or Earmarking Requirements

**Compliance Requirement** The appropriation or allocation lapses and the municipality must return to the state all grant funds received for construction of a public facility if substantial, ongoing work on the project has not begun within five years of the effective date of the appropriation or allocation.

**Suggested Audit Procedure** Examine financial records, reports, and supporting documentation to determine if substantial, ongoing work on the project has begun within five years of the effective date of the appropriation or allocation. Expenditures alone should not be a determining factor; site visits, photographic documentation, and/or interviews with contractors may be required if ongoing work is in question.

##### D. Reporting Requirements

**Compliance Requirement** The grant agreement will specify the reporting requirements to which the grantee must adhere.

**Suggested Audit Procedures** Examine reports and supporting documentation and verify completeness, accuracy and timeliness of submission. Verify that required approvals were obtained and that expenditures and matching contributions were within award performance period.

##### E. Special Tests and Provisions

**Compliance Requirement** The grant agreement will identify any other compliance requirements to which the recipient is to adhere.

**Suggested Audit Procedures** Review the grant agreement, identify any other applicable compliance provisions, including the "standard provisions," and verify that the requirements were met.

## Appendix B2 Insurance

### Article I. Insurance

Without limiting contractor's indemnification, it is agreed that the 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 thirty (30) day prior notice of cancellation, non-renewal or material change. 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.

**1.1 Workers' Compensation Insurance:** The contractor shall provide and maintain, for all employees of the contractor engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045. The contractor shall be responsible for Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this contract. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection is not less than \$100,000.00 per occurrence. Where applicable, coverage for all federal acts (i.e. USL & H and Jones Acts) must also be included.

**1.2 Comprehensive (Commercial) General Liability Insurance:** With coverage limits not less than \$300,000.00 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

**1.3 Comprehensive Automobile Liability Insurance:** Covering all owned, hired, and non-owned vehicles with coverage limits not less than \$100,000.00 per person/\$300,000.00 per occurrence bodily injury and \$50,000.00 property damage.

**1.4 Professional Liability Insurance:** Covering all errors, omissions or negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them, made in the performance of this contract which result in financial loss to the State. Limits required are per the following schedule:

<b>Contract Amount</b>	<b>Minimum Required Limits</b>
Under \$100,000	\$100,000 per occurrence/annual aggregate
\$100,000 - \$499,999	\$250,000 per occurrence/annual aggregate
\$500,000 - \$999,999	\$500,000 per occurrence/annual aggregate
\$1,000,000 or over	Negotiable - Refer to Risk Management

## **Appendix C**

### **State Laws and Regulations**

#### **Municipality Public Facility Operations and Maintenance—AS 37.05.315(c)**

In accepting a grant under AS 37.05.315 for construction of a public facility, a municipality covenants with the State that it will operate and maintain the facility for the practical life of the facility and that the municipality will not look to the State to operate or maintain the facility or pay for its operation or maintenance. This requirement does not apply to a grant for repair or improvement of an existing facility operated or maintained by the State at the time the grant is accepted if the repair or improvement for which the grant is made will not substantially increase the operating or maintenance costs to the State.

#### **Restriction on Use—AS 37.05.321**

A grant or earnings from a grant under AS 37.05.315 - 37.05.317 may not be used for the purpose of influencing legislative action. In this section "influencing legislative action" means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to any legislative action but does not include the provision or use of information, statistics, studies, or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315 - 37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee.

#### **Hiring Preferences—AS 36.10**

This chapter of the Alaska Statutes applies to grants for public works projects and requires compliance with the hiring preferences under AS 36.10.150 – 36.10.175 for employment generated by the grant.

#### **Historic Preservation Act—AS 41.35**

This chapter of the Alaska Statutes applies to public construction of any nature undertaken by the State, or by a governmental agency of the State, or by a private person under contract with or licensed by the State or a governmental agency of the State. The Department of Natural Resources must be notified if the construction is planned for an archaeological site. The department may stop the construction to determine the extent of the historic, prehistoric, or archaeological values.

#### **Fire Protection—AS 18.70**

This chapter of the Alaska Statutes requires the Department of Public Safety (the State Fire Marshal) to adopt regulations (currently in the form of Uniform Fire Code, as amended) establishing minimum standards for:

1. Fire detection and suppression equipment;
2. Fire and life safety criteria in commercial, industrial, business, institutional, or other public buildings used for residential purposes containing four or more dwelling units;
3. Any activity in which combustible or explosive materials are stored or handled in commercial quantities;
4. Conditions or activities carried on outside a building described in (2) or (3) likely to cause injury to persons or property.

#### **Environmental Conservation—AS 46.03**

This chapter of the Alaska Statutes applies to municipalities and could subject them to enforcement actions instituted by the Alaska Department of Environmental Conservation for air, land and water nuisances, and water and air pollution in a municipality of 1,000 or more, and may establish a local air pollution control program.

## **Alaska Coastal Management Program—AS 46.40**

This chapter of the Alaska Statutes establishes a planning program for the use, management, restoration, and enhancement of the overall quality of the coastal environment. The law provides for the creation of coastal resource districts and the establishment, review, and approval of district management plans. If a district management plan is not implemented, enforced, or complied with, enforcement action may follow.

## **Permits and Environmental Procedures Coordination—AS 46.35**

This chapter of the Alaska Statutes establishes the Department of Environmental Conservation as the central state agency for processing environmental permits issued by State agencies. The law requires a master application form and specifies the following permits including others designated by the commissioner to which this law applies:

**Access Roads Permit—AS 41.21.020, 11 AAC 12.020**  
**Air Emissions Permit—AS 46.14.140, 18 AAC 50.030**  
**Anadromous Fish Protection Permit—AS 16.05.870, 5 AAC 95.010**  
**Authorization for Tidelands Transportation—AS 38.05.035, 11 AAC 51.015**  
**Brine or Other Salt Water Waste Disposal Permit—AS 31.05.030, 20 AAC 22.252**  
**Burning Permit during Fire Season—AS 41.15.060, 11 AAC 95.410**  
**Coal Development Permit—AS 27.21.030, 11 AAC 85.110**  
**Critical Habitat Area Permit—AS 16.20.510, 05 AAC 95.420**  
**Dam Construction Permit—AS 46.17.040, 11 AAC 93.171**  
**Driveway Permit—AS 19.05.040, 17 AAC 10.020**  
**Encroachment Permit—AS 19.25.200, 17 AAC 10.012**  
**Limited Personal Use Permit—AS 38.05.820, 11 AAC 62.010**  
**Miscellaneous State Land Use Permit—AS 38.05.035, 11 AAC 96.010**  
**Mineral and Geothermal Prospecting Permits—AS 38.05.181, 11 AAC 82.100**  
**Open Burning Permit—AS 46.03.020, 18 AAC 50.065**  
**Permit for Use of Timber or Materials—AS 38.05.110, 11 AAC 71.025**  
**Permit to Appropriate Water—AS 46.15.040, 11 AAC 93.120**  
**Pesticides Permit—AS 46.03.320, 18 AAC 90.300**  
**Preferred Use Permit—AS 46.15.150, 11 AAC 93.240**  
**Right-of-Way and Easement Permits—AS 38.05.850, 11 AAC 58.740**  
**Solid Waste Disposal—AS 46.03.100, 18 AAC 60.200**  
**Special Land Use Permit—AS 38.05.035, 11 AAC 58.210**  
**Special Material Use Permit—AS 38.05.115, 11 AAC 71.025**  
**State Game Refuge Land Permit—AS 16.20.050 - 16.20.060**  
**State Park Incompatible Use Permit—AS 41.21.020, 11 AAC 18.010**  
**Surface Oiling Permit—AS 46.03.740, 18 AAC 75.700**  
**Surface Use Permit—AS 38.05.255, 11 AAC 86.600**  
**Tide and Submerged Lands Prospecting Permit—AS 38.05.250, 11 AAC 62.700**  
**Tidelands Permit—AS 38.05.035, 11 AAC 62.720**  
**Tidelands Right-of-Way or Easement Permit—AS 38.05.820, 11 AAC 62.720**  
**Utility Permit—AS 19.25.010, 17 AAC 15.011**  
**Waste Water Disposal Permit—AS 46.03.100, 18 AAC 72.010**  
**Water Well Permit—AS 31.05.030, 11 AAC 93.140**

**Appendix D**  
**Special Requirements and Assurances**  
**for Federally Funded Projects**

Federal grant requirements are not applicable to the Designated Legislative Capital Grant program.

## Appendix E Site Control

### 1. Site Control

The Grantee must provide evidence of site control for a project that involves any use of land, including but not limited to, construction, renovation, utility projects, fuel storage, roads and trails.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site. Site control options are identified in Section 2.

For a project planned on land that is controlled by a public agency, the Grantee must obtain whatever authorization for use that is required by the public agency.

### 2. Site Control Options

Below are some examples of documents that may be used to satisfy site control requirements for various community facilities/projects. The terms and conditions contained in each document must be examined to determine adequacy for a specific project.

	Deed	Lease	Easement	Use Permit	License
Community Hall	✓	✓			
Clinic	✓	✓			
Fire Station	✓	✓			
Bulk Fuel Storage	✓	✓			
Dump	✓	✓			
Shop/Storage Building	✓	✓			
Cemetery	✓	✓			
Dock	✓	✓			
Campground	✓	✓			
Generator Building	✓	✓			
Multi-purpose building	✓	✓			
Laundromat	✓	✓			
Water well/Septic	✓	✓		✓	
Village Relocation	✓	✓	✓	✓	
Agriculture Project	✓	✓			
Sewage Lagoon	✓	✓			
Communication Site	✓	✓			
Road (.25')			✓	✓	
Trail (.25")			✓	✓	
Boardwalk			✓	✓	✓
Powerline			✓	✓	✓
Water/Sewer Line			✓	✓	✓
Pipeline			✓	✓	✓

## **Appendix F**

### **State Fire Marshal Review**

#### **The Plan Review Process**

Construction, repair, remodel, addition, or change of occupancy of any building/structure, or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before ANY work is started.

Residential housing that is three-plex or smaller is exempt from this requirement.

Exception: The following jurisdictions have accepted a deferral for total code enforcement and plans should be submitted directly to the city: Anchorage, Juneau, Fairbanks, Kenai, Seward, Kodiak, Sitka, and Soldotna

Plans and specifications regarding the location of the building or structure on the property, area, height, number of stories, occupancy, type of construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and fire alarm systems must be submitted by the owner or owner's representative to the State Fire Marshal for examination and approval. This review does not address structural considerations or accessibility requirements. Mechanical and electrical review is limited to that which is necessary to confirm compliance with fire and life safety requirements.

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

If any work for which a plan review and approval is required has been started without first obtaining plan review and approval, an additional special processing plan review fee of \$100 is charged for the first violation. The special processing plan review fee for a subsequent violation by the same person is an additional charge equal to the amount of the standard plan review fee for the project.

Authority: AS 18.70.080

Alaska Administrative Code: 13 AAC 50.027

# CHANGE ORDER

**Recommended:**

**Larsen Consulting Group**

PROJECT ENGINEER

3710 Woodland Drive, Ste 2100

Anchorage, AK 99517

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Accepted:**

**Prosser Dagg Construction, Co.**

CONTRACTOR

1301 S. Felton Street

Palmer, AK 99645

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Authorized:**

**City of Palmer**

OWNER

231 W. Evergreen Ave.

Palmer, AK 99645

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Fund source and verification of funds for this project:**

24-01-08-6225

Construction

**TOTAL**

\$ 21,450.79

**\$ 21,450.79**

\_\_\_\_\_  
Verified by

\_\_\_\_\_  
Date