

APPENDIX B
ALASKA CLEAN WATER ACTIONS (ACWA)
Grants SFY23-25
Administrative Guidelines and Other Conditions

Requirement of the Grantee

Each grantee must enter into an Agreement with the Department. The Agreement will address the conditions of the workplan and specific tasks, required deliverables and term dates of the project, and funding. The Department may seek modifications of the workplan and grant award prior to the execution of the final Agreement. The Agreement is a legal, binding document requiring both the Grantee and Department signatures for execution.

All awards are subject to appropriation and availability of funding from the sources identified.

The following guidelines are initiated to be used as a general guidance during the solicitation period. Specific project conditions will be applied to the Agreements based on type of project and their specific funding source when awarded.

Part A

Article 1. Project Management

This project will be managed by the (*Name of Organization*), hereinafter, 'Grantee' with signatory authority for execution of the Agreement, subsequent Amendments and financial/progress reports granted to the DEC Project Manager. Delegation of signatory authority and changes in the authorized representative must be received in writing and approved by the Department.

The Grantee will acknowledge Department and federal funding for all reports, brochures, videos, maps, and outreach materials produced by this project with the following statement: "This project has been funded wholly or in part by the United States EPA under assistance agreement number (*insert Federal Assistance Identification Number*) to the Department of Environmental Conservation (DEC) through the Alaska Clean Water Actions (ACWA) program. The contents of this document do not necessarily reflect the views and policies of the EPA or DEC, nor does the EPA or DEC endorse trade names or recommend the use of commercial product mentioned in this document." Additional assistance agreement numbers may be provided to the Grantee by the Grants Administrator.

The Grantee must notify the DEC Project Manager regarding of any press releases or public announcements prior to publication or dissemination, which describe or are otherwise related to the project. If the Department objects to any provision of a press release or public announcement under this section, it shall notify the Grantee within twenty four (24) hours of receiving the notification described herein, and shall work diligently and in good faith with the Grantee to develop mutually agreeable language prior to the planned publication or dissemination. The Grantee will not conduct a press

release or public announcement or will strike language that refers to the project, if agreement cannot be reached.

The Grantee must notify the DEC Project Manager via email within the same day of any questions from the media and describe the responses if questions are in relation to the grant project, but are not part of a planned public event or other outreach described in the approved workplan. For some grant projects, the DEC Project Manager may also respond to the inquiries or may direct the Grantee to refer questions regarding the grant project to the Department.

The Grantee will notify the Department immediately of any significant changes to the organization during the term of the Agreement, including changes in key personnel or tax status. The Grantee will notify the Department if any changes are needed to the Agreement. A letter of request must be submitted to the DEC Project Manager, stating the reason for the Amendment and demonstrating that the project objectives and match requirements will be met by the end of the project. Funding may be decreased if spending and performance benchmarks are not met as outlined in the workplan. Changes to the scope of work must receive prior written approval by the DEC Project Manager. Should the change significantly alter the goals or objectives of the project as awarded, it will not be allowed. Substitution of tasks that achieve the same proposed result can be negotiated with the DEC Project Manager.

When the project has been completed and all reporting requirements and deliverables have been met, the project will be closed out with an Amendment that will reconcile budget line items to reflect actual expenditures.

Article 2. Reporting Requirements

The Grantee agrees to provide semiannual status reports which consist of progress and financial reports to the Department for the periods ending **June 30 and December 31** for the life of the grant, and at the **grant's term date**. These reports must update the Department on project progress, grant fund expenditures. A Minority and Women's Business Enterprises (MBE/WBE) report is required to be submitted *annually*, at the end of each state fiscal year, on June 30. The Grantee will use the MBE/WBE template to report annual procurement actions as they pertain to the Disadvantaged Business Enterprise Program which requires the Grantee to identify and use qualifying businesses and report annually on their compliance. The financial and MBE/WBE reporting templates will be provided by the Grants Administrator at project inception. The required format of the progress report will be determined by the DEC Project Manager and communicated to the Grantee prior to the end of the first quarter of the project.

The semiannual status reports are due ten (10) days after the periods ending **June 30 and December 31** for the life of the grant. Costs incurred on the project after the ten (10) day grace period without submission compliance are at the Grantee's risk and may be disallowed. Semiannual payments and reimbursements will be subject to submission and approval of the required reports. Repeated failure to submit semiannual status reports in a timely manner may result in the suspension or termination of the Agreement.

The final status report, final project report, and all project deliverables are due thirty (30) days after the grant term date. Final status reports received thirty-two (32) days or more after the project completion date will not be considered for final payment or

reimbursement. Final payment or reimbursement will be paid upon completion of the project including submission and approval of the final financial status report, final project report (if applicable), and all project deliverables. All reports will be submitted in electronic format unless otherwise stated in the Agreement.

Submitted reports are reviewed and approved based on the workplan and budget placed in the original Agreement. Any unreported or unapproved changes to the work plan or budget evident in reports may result in an Amendment being required, costs disallowed, suspension or termination of the Agreement. The Grantee is required to immediately report to DEC Project Manager any unforeseen problem or project delay that may cause a change to the work plan or budget.

A Quality Assurance Project Plan (QAPP) and Sampling Plan must be submitted and approved by the Department prior to collecting environmental monitoring data. This only applies to projects that collect environmental data such as water quality monitoring.

The Grantee must report the names and totals of five most highly compensated executives if awarded a federal grant that equals or is greater than \$25,000 to the Department within thirty (30) days of the award being obligated and if 1) the Grantee received 80 percent or more of its annual gross revenues from federal contracts or grants, or 2) the Grantee received \$25,000,000 or more in annual gross revenues from federal contracts or grants. The Grantee is exempt from this reporting if the Grantee had a gross income from all sources under \$300,000 from the previous tax year. The Grants Administrator will provide a template to the Grantee for completion at grant inception.

Article 3. Disadvantaged Business Enterprise (DBE)

The Grantee agrees to comply with the following requirements and must review the full detail at EPA website under “Disadvantaged Business Enterprise Program Requirements” <https://www.epa.gov/grants/disadvantaged-business-enterprise-program-requirements>:

- MBE/WBE Certification. Entities must meet the certification criteria under at least one of the listed authorizing statutes to qualify for the DBE Program.
- Six Good Faith Efforts. The Grantee is required to make the listed good faith efforts whenever procuring construction, equipment services and supplies under this agreement. DBE Contract Administrative Requirements. The Grantee must adhere to the listed contract administrative requirements.
- MBE/WBE Reporting. The Grantee agrees to report the compliance of the above requirements annually, with the financial status report period ending on June 30, for the life of the grant.
- Record Keeping. The Grantee must maintain all records documenting its compliance with the requirements of this program in accordance with the applicable record retention requirements under this award.

Article 4. Documentation and Record-Keeping

The Grantee shall set up a file containing the following: grant application, grant agreement and amendments; all written correspondence; progress reports; documentation for products indicated in the work plan; financial reports with backup documentation such as time sheets, travel vouchers, invoices or other records that validate expenditures or match; and any other documents pertinent to the performance of this Agreement and completion of the project.

The state or authorized federal representative may inspect, in the manner and at any reasonable time it considers appropriate, the Grantee's facilities, records or activities under this grant agreement.

Article 5. Payment Plan

The Department's Grant Administrator will work with each Grantee to set up a payment plan for either advance payments or on a reimbursable plan.

Availability of funding is contingent upon approval of grant money from the federal funding agency and legislative appropriation of funds. **No expenditures incurred prior to the grant's initiation or after the grant's term date are authorized under the Agreement.**

- Advance

An advance payment will be made within ten days (10) of execution of the Agreement.

Additional scheduled semiannual advances in the amounts determined in the payment plan will be based on timely submission and approval of progress, financial reports and deliverables. Actual semiannual payment amounts will be calculated as follows: Scheduled payment amount less any previously advanced amount not yet spent. If the entire advance amount has been spent, and there are still significant outstanding obligations to meet prior to the end of the period, the Grantee may contact the assigned DEC Project Manager, to arrange for an interim payment. Documentation of outstanding obligations must be submitted before such interim payments will be approved.

- Reimbursement

Eligible expenses incurred under the Agreement will generally be reimbursed on a semiannual basis but may be reimbursed as frequently as monthly. Reimbursement will be made upon receipt and approval of the progress, financial reports, and deliverables.

- Final Payment

The final **5%** of the grant will be paid upon completion of the project, submission of all reporting requirements, and Department approval of these reports.

All reports and deliverables required in the agreement must have been submitted and approved by the Department prior to final payment.

Article 6. Matching Funds

Matching Funds are not required.

PART B

GENERAL PROVISIONS

Article 1. Definitions

“Department” refers to the Department of Environmental Conservation (DEC) within the State of Alaska.

“Authorized Signature” means the person who has the authority to sign this Agreement and other legally binding forms related to the project on behalf of the Grantee and the Department.

“State of Alaska” fiscal year is defined as July 1st through June 30th.

In this Agreement and appendices, “DEC Project Manager” refers to the Environmental Specialist or other DEC staff assigned to manage the project and administer the project. The DEC Project Manager is the primary contact between the Department and the Grantee.

Article 2. Legal Authority

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

Article 3. Governing Law

The Grantee must conform to all applicable federal, state, and local laws, ordinances, and regulations. It is the responsibility of the Grantee to ensure that all permits required for this project by federal, state, or local governments have been obtained prior to any activity that requires permitting take place. All actions concerning the project shall be brought in the Superior Court of the State of Alaska.

Article 4. Severability and Waivers

If any provision under the Agreement or its application to any person or circumstances is held invalid by a court of rightful jurisdiction, this invalidity does not affect any other provisions of the Agreement which can be given effect without the invalid provision. No condition or provision of the Agreement can be waived unless approved by the Department in writing.

Article 5. Conflicting Provisions

Unless specifically amended and approved by the Department of Law, the General Provisions of the Agreement supersede any provisions in other appendices.

Article 6. Site Control

If the project involves occupancy, use, or modification of real property, the Grantee shall acquire the legal right to occupy, use, or modify the real property for the purposes of the Agreement and authority to access the project site to complete the proposed project.

Article 7. Operation and Maintenance

The Grantee will assure the continued proper operation and maintenance of all nonpoint source management practices that have been implemented for projects funded under this Agreement. Such practices shall be operated and maintained for the expected lifespan of the specific practice and in accordance with commonly accepted standards. Likewise, the Grantee will assure similar provisions are included in any subagreements that are awarded by the Grantee.

Article 8. Sovereign Immunity

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

Article 9. Covenant Against Contingent Fee

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

Article 10. Officials Not to Benefit

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

Article 11. Political Activity

No portion of these funds will be used to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress. The Grantee must submit a certification form to the Department if this award exceeds \$100,000.

The Grantee must submit Standard Form-LLL, "Disclosure Form to Report Lobbying" to the Department if any non-federal funds have been paid or will be paid to influence or attempt to influence an office or employee of any agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress.

Failure to submit certification and disclosure forms shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

Article 12. Obligations regarding Third-Party Relationships

The Grantee may not assign or delegate the Agreement, 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 Department. None of the work specified in the Agreement shall be contracted by the Grantee unless stated in the Agreement or with prior written approval from the Department. The Grantee shall remain fully obligated under the provisions of the Agreement notwithstanding its designation of any third party or parties of the undertaking of all or part of the project described therein. The Grantee shall bind all contractors to every applicable provision.

Article 13. Conflict of Interest

The Grantee must inform the Department immediately and in writing of any Conflict of Interest (COI) as defined and described in EPA's COI Policy found at <https://www.epa.gov/grants/epas-financial-assistance-conflict-interest-policy>.

Article 14. No Additional Work or Materials

No claim will be allowed for services not specifically provided for in the Agreement which are performed or furnished by the Grantee.

Article 15. Changes

Any changes that have been agreed to by both parties will be attached and made part of the Agreement by use of an Amendment. Any such Amendment must be dated and signed by both parties before the change is considered approved and effective. The change is effective upon final signature by the Department.

Article 16. Budget Flexibility

Notwithstanding the provisions in Article 15, "Changes", the Grantee may revise the project budget without a formal Amendment to the Agreement. Such revisions are limited to a maximum of 10% of the total grant amount or \$10,000, whichever is less, over the entire term of the Agreement. Such budget revisions shall be limited to changes to existing budget line items. The creation of new budget line items may only be done through a formal Amendment to the Agreement.

Grantee must agree to utilize funds during the State Fiscal Year (SFY) that is agreed upon in the budget. Any movement of funds over the award budget period must be approved by the Department prior to the end of each SFY on June 30. In general, leftover reward funds from one fiscal year do not carry over to the next fiscal year.

Article 17. Limitation of Administrative Costs

If the Grantee does not have a federally approved indirect rate the Grantee may include administrative costs but cannot exceed 10% of the grant award as direct costs.

Article 18. Allowable Costs

The Grantee shall comply with the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as identified in 2 CFR Part 200.

Article 19. Light Refreshments

Upon Department approval, the Grantee may use grant funds for light refreshments at outreach events, as long as the activity is reasonable and necessary for the performance of the project as described below. The Grantee will be limited to tea, water, and/ or coffee and cannot exceed a total of \$500.

Outreach events may be meetings, workshops, or participation in a festival for the purpose of educating the public about water quality protection or restoration efforts. This may also include having a booth designed to educate the public or gather public information at public events.

Grant funds may not be used for evening meetings, events, or for any event where alcohol is served, purchased or otherwise available as part of the event or meeting, even if funds are not used to purchase alcohol.

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.

Article 20. Consultant Cap

Individual consultants retained by the Grantee shall be limited to the maximum daily rate for a Level IV of the Executive Schedule, available at: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/>, to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. This rate does not include transportation and subsistence costs for travel performed.

Article 21. Income

Program and income interest earned on federal or state funds shall be reported to the Department who will make a determination if those funds can be used for the project during the Agreement period.

Article 22. Management Fees

Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable. The term “management fees” or similar charges refers to expenses added to the indirect costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs which are not allowable under this Agreement. Management fees or similar charges may not be used to improve or expand the project funded under this Agreement, except to the extent authorized as a direct cost of carrying out the scope of work.

Article 23. Federally Approved Indirect Rate

The Grantee is entitled to reimbursement of indirect costs, subject to any statutory or regulatory administrative cost limitations, if they have a current rate agreement or have submitted an indirect rate proposal to the appropriate federal agency for review and approval. The Grantee is responsible for maintaining an approved indirect cost rate throughout the life of the Agreement.

Budgets that have been placed with an indirect rate not yet approved by the federal agency, for project administrative expenses, are subject to revision based on the rejection or approval of the final approved rate. If the indirect rate proposal was rejected or deemed lower by the federal agency the Grantee will be required to adjust project administration expenses already incurred to the appropriate amount as required under federal regulations.

The Grantee will not be reimbursed for any indirect costs which are not incurred during the period of the approved rate agreement or for any period in which the rate has expired.

Article 24. Local Share of Project

No matching funds are required.

Article 25: Unique Entity Identification Number (UEI)

The Grantee must provide an Unique Entity Identification Number (UEI) in order to receive an award. The UEI replaces the DUNS Number for the federal government to identify entities. Go to [SAM.gov](https://sam.gov) to look up or get assigned an UEI.

Article 26. Debarment and Suspension

Grantees or individuals that are suspended, debarred, declared ineligible, or voluntarily excluded from eligibility for covered transactions by any Federal department or agency cannot, during the period of suspension, debarment, or exclusion, receive or be paid from federal funds, whether under a primary or lower tier transaction as stated in 2 CFR Part 200, Subpart C, Section 200.212.

Article 27. Procurement

The Grantee must comply with all applicable state or federal procurement laws in 2 CFR Part 200.317 through 200.326. The Grantee is required to follow fair and equitable procurement standards in the acquisition of all services, supplies, and materials. The Grantee must retain clear records of bid procedures. The Grantee will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

Article 28. Equipment Use and Disposition

Equipment purchased in part or wholly with federal funds shall be used by the Grantee in the project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a federal agency. The Grantee shall be responsible for the operation and maintenance of equipment acquired with the project. Property records must be maintained which will include a description, serial number, source and title, cost and percentage of federal participation in cost, location, use and condition, and sale price and date of disposal. A physical inventory of the property must be taken at least once every two years. Disposition of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation. If the Grantee is a non-profit corporation that dissolves, the assets from the project are to be distributed according to Alaska Statutory law, AS 10.20.290-10.20.452.

Article 29. Supplies

The Grantee will compensate the awarding agency if residual inventory of unused supplies exceed \$5,000 and are not needed for any other federally funded projects upon completion or termination of the Agreement.

Article 30. Recycled Paper

The Grantee agrees to use recycled paper and double sided printing for all reports which are prepared as part of this Agreement. The Grantee agrees to give preference to the purchase of recycled materials.

Article 31. Financial Management and Accounting

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

Article 32. Payment Plan

The Grantee shall comply with the payment plan established in the Agreement. Payment plans will be established as either advance payments or on a reimbursable basis. Payments will be made after approval of required progress, financial, and MBE/WBE reports.

Availability of funding is contingent upon approval of grant money from the federal funding agency and legislative appropriation of funds.

Article 33. Reporting Requirements

The Grantee shall submit all reports to the Department including but not limited to semiannual progress and financial reports, MBE/WBE, and executive compensation reports according to the terms and schedule established in the Agreement using the forms provided. Failure to submit progress reports or to make adequate progress may result in the Department withholding funds, suspending or terminating the Agreement.

Article 34. Records Maintenance and Retention

The Grantee shall keep a file for financial, progress and other records relating to the performance of the Agreement. The file must be retained for a period of three years from the fully executed close out of the Agreement or until final resolution of any audit findings claim or litigation related to the project.

Article 35. Inspection of Records

The state or authorized federal representative may inspect, in the manner and at any reasonable time it considers appropriate, the Grantee's facilities, records or activities under the Agreement.

Article 36. Audit

The Grantee must comply with the provisions of the Single Audit Act in accordance with 2 CFR Part 200, Subpart F.

Article 37. Compliance Enforcement

If the Grantee fails to comply with the terms of the Agreement, or fails to use the Agreement for only those purposes set forth therein, the Department may take one or more of the following actions:

37.1 Right to Withhold Funds

The Department may temporarily withhold payments under the Agreement for any violations pending correction of any deficiency by the Grantee or the Department may take more severe enforcement action.

37.2. Suspension

After written notice that the Grantee is out of compliance with the Agreement, the Department will suspend the project and withhold payment or prohibit the Grantee from incurring additional obligations of grant funds pending corrective action or a decision to terminate. Response must be received within fifteen (15) days of notification.

37.3 Termination for Cause

The Department, by written notice, may terminate the project, in whole or in part, when it is in the best interest of the state at any time before the final grant payment is made. The Department shall notify the Grantee in writing of its determination to terminate, the reason for such termination, the effective date, and the reason and amount for recoveries that will be made.

Article 38. Termination Due to Lack of Funding

In the event funding from the state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date of the Agreement and prior to normal completion, the Department may terminate the Agreement, reduce funding, or re-negotiate subject to those new funding conditions.

Article 39. Closeout

The Department will close out the Agreement when it determines that all reporting requirements and required work has been completed. The Grantee must submit all financial performance and other reports and deliverables required as a condition of the grant within thirty-two (32) days of the expiration of the Agreement unless otherwise stated in the work plan or with prior written approval. The Grantee shall return all unexpended grant monies to the state within sixty (60) days of the expiration of the Agreement.

Article 40. Press Releases

The Grantee must notify the Department of any press releases or public announcements prior to publication or dissemination, which describe or are otherwise related to the project supported by the Agreement. If the Department objects to any provision of a press release or public announcement under this section, it shall notify the Grantee within twenty four (24) hours of receiving the notification described herein, and shall work diligently and in good faith with the Grantee to develop mutually agreeable language prior to the planned publication or dissemination.

The Grantee must notify the Department within the same day of any media inquiries directed at the Grantee and describe any response or information provided to the media. For some projects, the Department may also issue press releases, may respond to media inquiries or may direct the Grantee to refer questions regarding the project to the Department.

Article 41. Ownership of Documents and Products

All designs, drawing, specifications, notes, artwork, computer programs, reports and other work developed with grant funds in the performance of the Agreement are public domain and will be used by the state and/or public without notice or compensation to the Grantee. The Grantee agrees not to assert any rights and not to establish any claim under the design patent or copyright laws.

Article 42. Civil Rights

The Grantee must comply with all applicable civil rights regulations, state laws, and policies in accordance with the Equal Employment Opportunity Executive Orders, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, and Section 13 of the Federal Water Pollution Control Act Amendments of 1972. Failure in prevention of discriminatory employment practices constitutes a material breach of the Agreement and could result in termination of the Agreement.

Article 43. Electronic and Information Technology Accessibility

The Grantee must ensure that any electronic and information technology (EIT) must be designed to meet the diverse needs of users without barriers or diminished function or quality described and defined in Section 504 of the Rehabilitation Act.

Article 44. Hotel-Motel Fire Safety Act

The Grantee agrees to ensure that all space for conferences, meetings, conventions, or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act. The Grantee may research the Hotel-Motel National Master List at <https://apps.usfa.fema.gov/hotel/> to see if a property is in compliance (FEMA ID is currently not required), or to find other information about the Act.

Article 45. Drug-Free Workplace

The Grantee must make an ongoing good faith effort to maintain a drug-free workplace as set forth in the Drug-Free Workplace Act of 1988.

Article 46. Disputes

Any disputes concerning a question of fact arising under the project which is not disposed of by mutual agreement shall be decided in accordance with contract controversies, AS 36.30.620-632 of the state Procurement Code.

Article 47. False Claim

The Grantee is advised that providing false, fictitious or misleading information with respect to the receipt and disbursement of EPA grant funds may result in criminal, civil or administrative fines and/or penalties.

The Grantee must promptly refer to EPA's Inspector General any credible evidence that a false claim has been submitted under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this Agreement.

Article 48. Prohibition Statement

The Grantee is advised that no employees may engage in severe forms of trafficking in persons during the period of time that this Agreement is in effect; procure a commercial sex act during the period of time the Agreement is in effect; or use forced labor in the performance of the Agreement.

The Grantee must inform the Department immediately of any information that is received from any source alleging a violation of the Prohibition Statement above.

PART C

INDEMNITY AND INSURANCE

Article 1. Indemnification

The Grantee shall indemnify, save harmless and defend the state, its officers, agents, and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission or negligent act of the Grantee, subcontractor or anyone directly or indirectly employed by them in the performance of the Agreement.

All actions or claims including costs and expenses resulting from injuries or damages sustained by any person or property arising directly or indirectly from the Grantee's performance of the Agreement which are caused by the joint negligence of the state and the Grantee shall be apportioned on a comparative fault basis. Any such joint negligence on the part of the state must be a direct result of active involvement by the state.

Article 2. Insurance

Without limiting the Grantee's indemnification, it is agreed that the Grantee shall purchase and maintain in force at all times during the performance of services under the agreement the following policies of insurance; when applicable. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the Grantee's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

2.1 Worker's Compensation Insurance: The Grantee shall provide and maintain, for all employees of the Grantee engaged in work under the Agreement, Workers' Compensation Insurance as required by AS 23.30.045. The Grantee shall be responsible to ensure all subcontractors provide Workers' Compensation Insurance for anyone who directly or indirectly provides services under the Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection of not less than \$100,000 per person, \$100,000 per occurrence. Where applicable, coverage for all federal acts (i.e., U. S. L&H and Jones Act) must also be included.

2.2 Comprehensive (Commercial) General Liability Insurance: with coverage limits not less than \$300,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, independent contractor, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

2.3 Comprehensive Automobile Liability Insurance: covering all owned, hired and non-owned vehicles with coverage limits not less than \$100,000 per person/\$300,000 per occurrence bodily injury and \$50,000 property damage.

2.4 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 the Agreement which results in a financial loss to the state. Limits required as per the following schedule:

Contract Amount	Minimum Required Limit
Under \$100,000	\$100,000 per occurrence/annual aggregate
\$100,000-\$499,999	\$250,000 per occurrence/annual aggregate