

**SOLICITATION, OFFER AND AWARD**

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1. CONTRACT NO. DTFAAL-03-C-20095	2. SOLICITATION NO. DTFA04-03-R-20095	3. TYPE OF SOLICITATION <input checked="" type="checkbox"/> NEGOTIATED (RFO)	4. DATE ISSUED 6/23/2003	5. REQUISITION PURCHASE NO NO
01-003586. ISSUED BY DOT: Federal Aviation Administration Acquisition Management Branch, AAL59A 222 W 7th Ave #14 Anchorage, AK 99513			7. ADDRESS OFFER TO (If other than Item 6)  SAME AS BLOCK #6	

**SOLICITATION**

8. Sealed offers in original and 6 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 6, or if handcarried, in the depository located in the Anchorage Federal Office Building, 222 W 7th Ave, Anchorage, AK - Room (Date) **July 21, 2003** until 3:30 PM local time (Hour)

9. FOR INFORMATION CALL:	A. NAME <b>LILLIAN S. DEMOSKI</b>	B. TELEPHONE NO. (Include area code) (NO COLLECT CALLS) <b>(907) 271-5862</b>
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**OFFER (Must be fully completed by offeror)**

11. In compliance with the above, the undersigned agrees, if this offer is accepted within \_\_\_\_\_ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.


12. DISCOUNTS FOR PROMPT PAYMENT (See FAA AMS Clause No. 3.3.1-17)	10 CALENDAR DAYS	20 CALENDAR DAYS	30 CALENDAR DAYS	CALENDAR DAYS
	%	%	%	%

13. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated)	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

14. NAME AND ADDRESS OF OFFEROR Northern Economics, Inc. 880 H Street Suite 210 Anchorage AK 99501	15. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (TYPE OR PRINT)
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15B. TELEPHONE NO. (Include area code)	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>	16. SIGNATURE	17. OFFER DATE
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**AWARD (To be completed by Government)**

18. ACCEPTED AS TO ITEMS NUMBERED	19. AMOUNT <b>\$79,140.00</b>	20. ACCOUNTING AND APPROPRIATION <b>Denali Commission funding appropriation</b>
		21. SUBMIT INVOICES TO ADDRESS SHOWN IN (2 copies unless otherwise specified) ITEM #23
22. ADMINISTERED BY (If other than Item 7) SAME AS BLOCK #6	23. PAYMENT WILL BE MADE BY FEDERAL AVIATION ADMINISTRATION FINANCIAL MANAGEMENT BRANCH, AAL 42C 222 W 7TH AVE #14 ANCHORAGE AK 99513	
24. NAME OF CONTRACTING OFFICER (Type or print) LILLIAN S. DEMOSKI (907) 271-5862	25. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	26. AWARD DATE <b>8/27/03</b>

IMPORTANT - Award will be made on this form, or on Standard Form 26, or by authorized official written notice.

**PART I - SECTION B**  
**SUPPLIES/SERVICES & PRICE/COST**

1. Provide all professional and administrative personnel, materials, equipment, and facilities and related costs to produce the study described in Part I – Section C, Scope of Work.

1 Job \$ 79,140

**PART I - SECTION C  
SCOPE OF WORK**

## **Water Export Statement of Work**

The solicitation is to produce a study of the rural development opportunities, costs and logistics of shipping and marketing new domestic water supplies outside of Alaska.

The deliverable product (submittal) is a report that will likely be over 50 pages long, including an executive summary, and will contain the reviewer's conclusions and recommendations regarding the rural development opportunities for exporting Alaskan water outside of Alaska. The report will be due to the Denali Commission on or before December 12, 2003. The Commission estimates the cost of the study at \$50,000 - \$100,000.

The report must provide detailed information to document completion of the following tasks, which are based on the two (2) water export concept proposals submitted in response to Part A of the Water Export Solicitation dated March 10, 2003:

1. Review and summarize government and other studies and reports in the last 10 years that are relevant to water export from Alaska, including bibliographical documentation, summary/overview, and relevant points/conclusions.
2. Analyze and quantify the current and projected (20-year horizon) market, including ideal niche markets, for exported water, including bulk water, premium (single serve) bottled water, and non-premium (such as five gallon dispenser) bottled water in California and north Pacific Rim countries. Provide current volume consumed by California water districts, water prices by water district (CA) and country (Pacific Rim), projected consumption, projected prices, and rationale for these projections.
3. Identify the Alaskan water exporters' competition, including existing and potential suppliers that will work to meet the existing and projected market demand identified in #1, above. Describe their current and planned production capacity, and target market(s)
4. Determine and quantify the competitive advantages or disadvantages Alaskan water exporters would have as potential suppliers of bulk and bottled water to these markets.
5. Analyze the technical and economic feasibility, including capital and operating costs, of utilizing decommissioned oil tankers, barges, and bags for shipment of bulk water to California and to north Pacific Rim countries. Include special facilities required for bulk water loading and unloading.
6. Develop capital costs and operation costs for bulk and bottled water treatment facilities (including the unit cost of acquiring the raw water), bottling facilities, and water storage and handling facilities.
7. Analyze and quantify the relative advantages and disadvantages of bulk transport of water compared to bottled transport to California and to north Pacific Rim countries, including but not limited to the costs and logistics of shipping and marketing, annual production costs, cost of capital investment for equipment and facilities.
8. Identify potential water sources in Alaska that could be tapped for export, and estimate the quantity of water available for extraction, considering environmental considerations such as minimum in-stream flow required for fisheries, etc. Describe the steps necessary to acquire the rights to these water sources, and develop estimates for one-time and ongoing costs to secure and use water from Alaska sources.
9. Fully investigate and describe the regulatory framework that would apply to commercial bulk and bottled water export from Alaska. This should include all aspects of the business, including water extraction; facility development for processing, storage, and shipping facilities; product safety and

quality assurance; interstate and international shipping; and sales. The report should document any State and Federal statutes and regulations such as National Environmental Policy Act (NEPA) requirements, Alaska Department of Natural Resources bulk and bottled water export statutes and regulations, Alaska Department of Fish and Game statutes and regulations, Alaska Department of Environmental Conservation statutes and regulations, Jones Act requirements, and other requirements as appropriate.

10. Produce cost estimates for bottled water distribution, marketing, advertising, promoting, and merchandising in the identified markets of the north Pacific Rim and North America.
11. Model revenues, up-front capital costs, and ongoing costs in a spreadsheet. Summarize key assumptions, and perform a sensitivity analysis of the net cash flows in the model to changes in the key assumptions.
12. Identify and in general terms quantify the public benefits that would likely accrue from the export of water as bottled water and in bulk. Specifically:
  - a. What kinds of revenues to the State of Alaska might accrue from sale of water?
  - b. Would it be possible to levee an excise tax on water, and, if so, what are some reasonable expectations for generating revenues?
  - c. How many and what kinds of jobs are likely to result from water export, both bulk and bottled, and what kind of training might be needed for workers in this industry?
  - d. Other public benefits not specified above.

**PART II - SECTION I  
CONTRACT CLAUSES**

**3.1-1 Clauses and Provisions Incorporated by Reference (September 2002)**

This screening information request (SIR) or contract, as applicable, incorporates by reference one or more provisions or clauses listed below with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available, or offerors and contractors may obtain the full text via Internet at: <http://fast.faa.gov> (on this web page, select "Contract Writing/Clauses").

- 3.1.7-5 Disclosure of Conflicts of Interest (May 2001)**
- 3.2.2.3-1 False Statements in Offers (April 1996)**
- 3.2.2.7-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (April 1996)**
- 3.2.5-1 Officials Not to Benefit (April 1996)**
- 3.2.5-3 Gratuities or Gifts (January 1999)**
- 3.2.5-4 Contingent Fees (October 1996)**
- 3.2.5-5 Anti-Kickback Procedures (October 1996)**
- 3.2.5-8 Whistleblower Protection for Contractor Employees (April 1996)**
- 3.2.5-11 Drug Free Workplace (April 1996)**
- 3.3.1-15 Assignment of Claims (April 1996)**
- 3.3.1-25 Mandatory Information for Electronic Funds Transfer (EFT) Payment - Central Contractor Registration (CCR) (June 2001)**
- 3.6.2-9 Equal Opportunity (August 1998)**
- 3.6.2-12 Affirmative Action for Special Disabled and Vietnam Era Veterans (January 1998)**
- 3.6.2-13 Affirmative Action for Workers With Disabilities (April 2000)**
- 3.6.2-14 Employment Reports on Special Disabled Veterans and Veterans of Vietnam Era (January 1998)**
- 3.6.3-1 Clean Air and Water Certification (April 2000)**
- 3.6.3-2 Clean Air and Clean Water (April 1996)**
- 3.6.3-10 Certification of Toxic Chemical Release Reporting (August 1998)**
- 3.6.4-2 Buy American Act--Supplies (July 1996)**
- 3.10.1-7 Bankruptcy (April 1996)**
- 3.10.1-9 Stop-Work Order (October 1996)**
- 3.10.1-11 Government Delay of Work (April 1996)**
- 3.10.1-12 Changes--Fixed-Price (April 1996)**
- 3.10.6-1 Termination for Convenience of the Government (Fixed Price) (October 1996)**
- 3.10.6-4 Default (Fixed-Price Supply and Service) (October 1996)**
  
- 3.9.1-1 Contract Disputes (November 2002)**

(a) All contract disputes arising under or related to this contract shall be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and shall be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. A contractor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

(b) The filing of a contract dispute with the ODRA may be accomplished by mail, overnight delivery, hand delivery, or by facsimile. A contract dispute is considered to be filed on the date it is received by the ODRA.

(c) Contract disputes are to be in writing and shall contain:

(1) The contractor's name, address, telephone and fax numbers and the name, address, telephone and fax numbers of the contractor's legal representative(s) (if any) for the contract dispute;

(2) The contract number and the name of the Contracting Officer;

(3) A detailed chronological statement of the facts and of the legal grounds for the contractor's positions regarding each element or count of the contract dispute (i.e., broken down by individual claim item), citing to relevant contract provisions and documents and attaching copies of those provisions and documents;

(4) All information establishing that the contract dispute was timely filed;

(5) A request for a specific remedy, and if a monetary remedy is requested, a sum certain must be specified and pertinent cost information and documentation (e.g., invoices and cancelled checks) attached, broken down by individual claim item and summarized; and

(6) The signature of a duly authorized representative of the initiating party.

(d) Contract disputes shall be filed at the following address:

(1) Office of Dispute Resolution for Acquisition, AGC-70,  
Federal Aviation Administration,  
800 Independence Ave, S.W., Room 323,  
Washington, DC 20591,

Telephone: (202) 267-3290,  
Facsimile: (202) 267-3720; or

(2) other address as specified in 14 CFR Part 17.

(e) A contract dispute against the FAA shall be filed with the ODRA within two (2) years of the accrual of the contract claim involved. A contract dispute by the FAA against a contractor (excluding contract disputes alleging warranty issues, fraud or latent defects) likewise shall be filed within two (2) years after the accrual of the contract claim. If an underlying contract entered into prior to the effective date of this part provides for time limitations for filing of contract disputes with the ODRA which differ from the aforesaid two (2) year period, the limitation periods in the contract shall control over the limitation period of this section. In no event will either party be permitted to file with the ODRA a contract dispute seeking an equitable adjustment or other damages after the contractor has accepted final contract payment, with the exception of FAA claims related to warranty issues, gross mistakes amounting to fraud or latent defects. FAA claims against the contractor based on warranty issues must be filed within the time specified under applicable contract warranty provisions. Any FAA claims against the contractor based on gross mistakes amounting to fraud or latent defects shall be filed with the ODRA within two (2) years of the date on which the FAA knew or should have known of the presence of the fraud or latent defect.

(f) A party shall serve a copy of the contract dispute upon the other party, by means reasonably calculated to be received on the same day as the filing is to be received by the ODRA.

(g) After filing the contract dispute, the contractor should seek informal resolution with the Contracting Officer.

(h) The FAA requires continued performance with respect to contract disputes arising under this contract, in accordance with the provisions of the contract, pending a final FAA decision.

(i) The FAA will pay interest on the amount found due and unpaid from (1) the date the Contracting Officer receives the contract dispute, or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on contract disputes shall be paid at the rate fixed by the Secretary of the Treasury that is applicable on the date the Contracting Officer receives the contract dispute and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary until payment is made.

(j) Additional information and guidance about the ODRA dispute resolution process for contract disputes can be found on the ODRA Website at <http://www.faa.gov>.

(End of clause)

### **3.9.1-2 Protest After Award (August 1997)**

(a) Upon receipt of a notice that a protest has been filed with the FAA Office of Dispute Resolution, or a determination that a protest is likely, the Administrator or his designee may instruct the Contracting Officer to direct the Contractor to stop performance of the work called for by this contract. The order to the Contractor shall be in writing, and shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Upon receipt of the final decision or other resolution of the protest, the Contracting Officer shall either--

(1) Cancel the stop-work order; or

(2) For other than cost-reimbursement contracts, terminate the work covered by the order as provided in the "Default" or the "Termination for Convenience of the Government" clause(s) of this contract; or

(3) For cost-reimbursement contracts, terminate the work covered by the order as provided in the "Termination" clause of this contract.

(b) If a stop-work order issued under this clause is canceled either before or after the final resolution of the protest, the Contractor shall resume work. The Contracting Officer shall make for other than cost-reimbursement contracts, an equitable adjustment in the delivery schedule or contract price, or both; and for cost-reimbursement contracts, an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected; and the contract shall be modified, in writing, accordingly, if--

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to an adjustment within 30 days after the end of the period of work stoppage; provided, that if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

(e) The Government's rights to terminate this contract at any time are not affected by action taken under this clause.

(End of clause)

### **3.10.1-25 Novation and Change-Of-Name Agreements (January 2003)**

a. In the event the Contractor wishes the Government to recognize a successor in interest to the contract due to a complete transfer of assets required to perform the contract or an applicable merger, the Contractor must submit a written request to the Contracting Officer with the required documentation. This is required in order to obtain the Government's consent for the successor Contractor to assume contract performance and receive payments for deliveries.

b. For a change of Contractor name the contractor agrees to provide the necessary documentation to establish that a legal name change has been made, including any revision to payment addresses/accounts.

c. The Contractor agrees to follow the procedures and provide the documents, as requested by the cognizant Contracting Officer, described in FAA Procurement Guidance entitled "Novation and Change-Of-Name Agreements" published at [http://fast.faa.gov/procurement\\_guide/html/3-10-1.htm](http://fast.faa.gov/procurement_guide/html/3-10-1.htm).

d. When it is in the Government's interest not to concur in the transfer of the contract from one company to another, the Contractor remains subject to all contract terms and conditions including termination for default should the Contractor fail to perform.

(End of Clause)