



Financial Assistance Award

DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501
 (907) 271-1414

Project Number
0001-DC1999-I1 – Amendment No. 5

Denali Commission Accounting Code		
95670000	FY 1999 Commission funding	\$16,274,000
95670000	FY 2000 Commission funding	\$9,000,000
95670000	Transfer to project # 0023-DC-2001-15	(\$540,162)
95670000	FY 2000 TAPL funding	\$5,202,000
Total Commission Funding (1999 & 2000)		\$29,935,838
Funds Available & Apportioned by OMB		<i>CFF</i>

Recipient Name & Address

State of Alaska
 Alaska Industrial Development and Export Authority
 Alaska Energy Authority
 813 W. Northern Lights
 Anchorage, AK 99503

 Phone (907) 269-3000
 Fax (907) 269-3044

FUNDING			
	Denali Commission	AEA & other contributors	Totals
Bulk Fuel	\$19,999,362	\$11,858,054	\$31,857,416
Power generation	\$8,677,000	\$3,200,547	\$11,877,547
Design, AVTEC, other	\$1,259,476	\$100,000	\$1,359,476
Totals	\$29,935,838	\$15,158,601	\$45,094,439

Authority
 112 Stat 1854

Project Title
 Bulk Fuel Consolidation Upgrades and Power Generation (FY 1999 & 2000)

Award Performance Period
 From: June 3, 1999
 To: October 31, 2005

This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.

- EDA Standard Terms and Conditions Public Works and Implementations Construction Components, dated 3/99
- Special Award Conditions and Attachments
- Line Item Budget
- 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html)
- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a087/a087-all.html)
- OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments (www.whitehouse.gov/OMB/circulars/a133/a133.html)
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations (www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html)
- OMB Circular A-122, Cost Principles for Nonprofit Organizations (www.whitehouse.gov/OMB/circulars/a122/a122.html)
- OMB Circular A-21, Cost Principles for Educational Institutions (www.whitehouse.gov/OMB/circulars/a021/a021.html)
- EDA Standard Terms and Conditions Capacity Building Programs
- Department of Commerce Financial Assistance Standard Terms and Conditions, dated 10/98

Signature of Authorized Official - Denali Commission

Typed Name and Title

Jeffrey Staser, Federal Co-Chair

Date

9/19/01

Signature of Authorized Official - AEA

Typed Name and Title

Robert Poe, Jr., Executive Director

Date

9/19/01

**Award Conditions to the Financial Assistance Award
Amendment No. 5 to Project No. 0001-DC1999-11
Bulk Fuel Consolidation Upgrades & Power Generation (1999 &2000)
Alaska Energy Authority**

1. **This Amendment No. 5 clarifies the intent of Commission funding for this project in Paragraph 2, including the allowable use of TAPL funds; revises the Project Officers in Paragraph 3; revises Paragraph 8 to delete the need for individual project checking accounts for funds received in advance of need, and emphasizes that reimbursement is the preferred method of requesting payment; incorporates Paragraph 17 to formalize the requirement for periodic project photographs to be submitted. Changes to previous wording are shown in “Bold” typeface.**
2. The scope of work for this project includes completion of projects identified under Amendment No. 2, as well as 7 individual new projects funded with FY2000 funds. Total Commission funding (FY99 and FY2000) for the Alaska Energy Authority (Authority) through this Agreement is \$29,935,838; total funding (including from other sources) is \$45,094,439. **The term “other contributors” shown on this Agreement shall be defined to include both match funds in accordance with 15 CFR 24, and all other sources of funds used for the projects, whether federal, state or private.**
3. Commission funding is intended for use for the scope of work specified above only. Commission funding is intended for use in the three broad areas of a) bulk fuel construction, b) power generation, and c) other projects such as the circuit rider program and AVTEC generator purchase for operator training. Any surplus of funds (on one or more of the projects funded under this Agreement) may be used on other projects, identified under this Agreement that may be experiencing a project shortfall. The intent is not to set aside a specific sum of Commission funding to a particular community, but rather that the projects, identified under this Agreement, are all completed successfully. **Shifting of funds between line items of the scope of work within this Agreement may be allowed provided there is no increase in the total funding provided by the Commission, and only if the full scope for these affected projects will be completed as originally set forth. TAPL money may be used only for Bulk Fuel projects. Projects experiencing cost overruns which warrant additional funding will not be funded under this Agreement. Any such additional funds will be provided only under future financial assistance awards.** In the event there is a balance of funding after the full scope of work is completed, then the Commission will determine how the excess funds will be allocated.
4. **The Project Officers for the Authority are Mr. Chris Mello for purposes of project design and construction and Ms. Sara Fisher-Goad for purposes of financial management. The Project Officer for the Denali Commission is Ms. Kathy Prentki.**
5. The Authority shall submit written progress reports to the Commission Project Officer quarterly (January/March, April/June, etc.). The reports are due within 30 calendar days of the end of the quarter. Interim reports are required in the event of significant project events that may extend the project schedule and/or impact the project budget. Quarterly progress reports shall include a narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule,

is the project on budget, and what actions are planned to address any project problems. These progress reports shall be sent to:

Denali Commission
510 "L" Street, Suite 410
Anchorage, AK 99501

The Commission reserves the right, at a future date, to direct the Authority to provide the progress reports in electronic format for posting on the Commission web page.

6. Three forms of project financial and labor reports are required.

A. Project financial status reports shall be submitted to the Commission Project Officer quarterly (included as part of the quarterly progress reports). For each project that includes funding from the Denali Commission, the quarterly financial status report shall include the following:

- i. the total project budget**
- ii. the project schedule with milestone dates for design and construction**
- iii. the total amount of Denali Commission funds committed to the project**
- iv. the total project expenditures as of the end of the most recent quarter**
- v. the total expenditure of Denali Commission funds for the project as of the end of the most recent quarter**
- vi. the percentage of expenditures to the total budget; and**
- vii. a project performance analysis on project line items, as defined by the AEA, showing budget costs compared to actual expenditures and obligations to date versus work performed to date (for each line item).**

B. A Financial Status Report (Standard Form 269 – www.whitehouse.gov/OMB/grants/index.html#forms) shall be submitted to the Commission Project Officer within 90 days after the end of each anniversary of the initial award date, and a final Financial Status Report shall be submitted within 90 days after the end of the Award Performance Period. For purposes of this financial assistance award, the SF269 shall show actual project match funds only. However, whenever an SF269 is required to be filed, the most recent quarterly financial status report spreadsheet will accompany the SF269. The intent of including the quarterly report with the SF269 is to capture in aggregate, all project expenditures, regardless of the origin of the funds expended.

C. A Labor Type, Residence, and Wage Report shall be submitted to the Commission Project Officer at a minimum of two times annually. At a minimum, these two reports must be submitted on or near August 1st and December 1st each year to correspond with the Alaska construction season. A Labor Type, Residence, and Wage Report must include the following

information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, payroll earnings from inception of project to date.

7. The cost principles of OMB Circular A-87 are applicable to this award. Since there are no indirect costs included in the assistance award budget, they are not allowable under this Agreement.
8. The Authority agrees to comply with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations."
9. To receive payment, the Authority must submit a "Request for Advance or Reimbursement", Standard Form-270, to the Commission Project Officer. **Cost reimbursable payments are approved under this award, and are the preferred method of payment. Reimbursements are based on actual expenditures only. Preferably, AEA shall submit a request for reimbursement on Standard Form-270, along with the quarterly report. However, request for reimbursement is not limited to a quarterly basis. AEA may request reimbursement on a more frequent basis if necessary. Although cost reimbursement is the expected method to receive payment, advance payments may be requested on Standard Form-270 for no more than the amount anticipated to be needed for the following 90 days.** It is expected that the Authority will forecast by letter or spreadsheet format, Commission funds or working capital advances needed on a monthly (or as needed) basis for each project. The Commission reserves the right to consolidate project level payments into one payment. This does not preclude more frequent Commission payments, then monthly, given project specific needs. Commission funds **received as advance payment** shall be subject to interest provisions as set forth in 31CFR205.12. **The Commission Project Officer may review all project payments made by AEA from the funds advanced to determine if payments made are justified and supported by appropriate records, invoices and other documentation.** The Commission reserves the right to prohibit further payments to the Authority, at any time, if discrepancies involving the **advance** account funds arise, until such time that the discrepancies are resolved to the satisfaction of the Commission. Pay requests for Authority administrative costs shall be on a separate Standard Form – 270 (quarterly) from project pay requests.
10. To the maximum extent feasible, considering applicable laws, the Authority shall accomplish the work of this Agreement utilizing local labor and small, minority owned and disadvantaged businesses.
11. No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.
12. Attached to these Award Conditions are the following documents:

- a. Notes to Amendment No. 3 which describe specific project changes
 - b. Spreadsheet of projects sorted alphabetically, and
 - c. Spreadsheet of projects sorted by project type
13. Project budget revisions shall be in accordance with 15CFR24.30(c.iii.2). Written request by letter from the Authority Project Officer to the Commission Project Officer for concurrence is necessary for budget revision approval.
 14. Per agreement between the Commission and State of Alaska, a “private enterprise policy” shall be adopted which appropriately considers but is not limited to the following provisions: a) All entities in a community providing fuel sales (for-profit and non-profit) must be consulted about a consolidated fuel facility concept and provide written support of the project; b) establishment of a percentage-based formula contribution to be paid by private fuel sale entities for inclusion in the consolidated facility; and c) that the State’s role is to assist all entities in the community, whenever possible, and to insure that private enterprise is not negatively impacted.
 15. Based upon proposed Federal funding for this project, project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required. The Authority shall address all potential environmental concerns (specific and cumulative effects) associated with the projects, identified in this Agreement, in consultation with applicable Federal, State, and local authorities. If the scope of work is changed in the future, then the Authority will revisit the project level environmental reviews to determine if potential environmental concerns must be further addressed. In the interest of streamlining the project level environmental reviews and avoid duplication of effort, any other Federal environmental review process carried out by the Authority on projects, identified in this Agreement, shall meet the intent of this paragraph.
 16. The Authority has agreed, in concert with the Denali Commission, to utilize an agreed-upon amount of Denali Commission funds for the expansion of the Authority’s Circuit Rider Program. This program provides for periodic visits to communities by staff or contractors to: a) inspect utility power plants and bulk fuel facilities to ensure reliable and efficient performance of those systems and b) assess conditions of these facilities for data collection.
 17. In the interest of establishing and maintaining an aggressive construction program the following Commission policy shall be employed by AEA. First, AEA shall develop a statewide comprehensive priority list for bulk fuel, rural power upgrade and alternative energy projects. (Note: the Alaska Industrial Development and Export Authority (AIDEA), the parent organization for AEA, through separate Agreement with the Commission for completion of a statewide energy plan has agreed to provide the three separate project lists by December 1, 2000.)

The second step is for the Commission, working from the top of the priority list, to provide funding for completion of initial project designs, as needed. Any issues requiring resolution prior to full design and construction will be identified and resolved during this phase. If project issues cannot be resolved in a reasonable time frame, the Commission expects AEA to move down the priority list(s) to projects that are ready to proceed to full design and construction. It is expected that the Commission and AEA will meet quarterly to review the progress of projects and collaboratively determine if reasonable progress is being made and what steps should be taken next for those projects requiring further attention.

Many issues like facility location, project ownership, construction costs, and operation and maintenance capabilities may require considerable time to resolve. However, these issues must be resolved in a manner that is both satisfactory to the community and is cost effective. Although AEA has a key responsibility to facilitate agreement, the community bears the ultimate responsibility for resolving these issues. As a matter of policy, the Commission wants as much construction to occur during the limited Alaska construction season, yet allow appropriate time for the community to actively participate in the development of the project. Consequently, AEA in consultation with the Commission must decide which projects are ready to proceed well in advance of the construction season, and which are not. If a project is determined to be not ready to proceed to construction, AEA shall reallocate Commission funds to projects that are ready for final design and construction. If this occurs, the Commission and AEA shall work together in an effort to assign future funding to the initial project after consensus on design and other project characteristics have been reached.

- 18. Photographic documentation of project progress shall be provided with the quarterly reports. For full-fledged, active construction projects, photo documentation shall include a minimum of five, dated photos per quarter of current project status, such that a complete record of the construction is maintained over time, from “before,” showing the situation before the start of construction, to “during” showing work proceeding on the project, and “after” to show the finished project. For minor repair and O&M projects, pictures should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images).**