

**REQUEST FOR PROPOSALS
FOR
THE PURCHASE OF
MT. MCKINLEY MEAT AND SAUSAGE
ARLF RFP # 06-01**

Issued March 17, 2006

**Deadline for receipt of proposals: 3:00 PM, June 9, 2006
At The DIVISION OF AGRICULTURE
1800 GLENN HWY, SUITE 12
PALMER, AK 99645-6736**

**Issued by
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE**



www.state.ak.us

Online Public Notice

State of Alaska
Department of Natural Resources
Division of Agriculture
Agricultural Revolving Loan Fund
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645-6736
(907) 761-3851
(907) 745-7112 Fax
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Mt. McKinley Meat and Sausage, ARLF RFP # 06-01

1.0 INTRODUCTION

1.1 Purpose of this Request for Proposals

The Department of Natural Resources, Division of Agriculture is soliciting proposals from qualified individuals, firms, partnerships and corporations to purchase and operate Mt. McKinley Meat and Sausage (MMM&S) pursuant to the terms and conditions outlined in this Request for Proposals (RFP) and subject to 11 AAC 39.700-760.

This slaughter and meat processing facility, located near Palmer, Alaska, is currently owned by the Agriculture Revolving Loan Fund (ARLF) and operated by the Division of Agriculture. The Board of Agriculture and Conservation (BAC) has approved an RFP process to facilitate returning the facility to the private sector contingent upon assurances that the facility continue to operate as a slaughter/processing facility for a minimum of three years. The BAC believes that a RFP process ensuring continued operations for a period of 3 or more years would be advantageous to the State and the industry. The BAC decided by motion and vote that:

1. Should there not be any proposals submitted during the RFP process found acceptable to the BAC, the facility will be sold “as is, where is”, without any restrictions on use; and
2. The State directed operation at MMM&S will close no later than December 31, 2006.

The contributory value of the continued operation of a livestock slaughter/processing facility is paramount to the growth and development of the Alaska agricultural industry. The competitive nature of the RFP will allow the greatest overall return to the ARLF, while keeping the kill floor open and transferring the facility to the private sector. The RFP process will also help ensure that the successful offeror has the necessary experience, financial ability, and viable plan to slaughter, process and market Alaska produced livestock.

This facility is being offered for sale conditioned on the kill floor remaining open for a period of three or more years as proposed by the offeror. A reversionary clause and covenant will be contained in the deed and contract agreement requiring that the kill floor remain open as proposed by the offeror. In the event that the successful offeror does not meet the contractual obligations of the RFP and contract, the property, fixtures and personal property will revert to the ARLF.

The sale includes all facilities, fixtures, and personal property referenced in Section 2, Property Profile. The sale does not include onsite product or personal property not owned by the ARLF.

The facility was appraised at \$1,200,000 in September of 2005, excluding equipment previously valued at \$250,000. The appraisal documents are available for review in the Palmer office. Full payment is due no later than 90 days after the date of the Notice of Intent to Award, unless otherwise agreed to in writing by the Division of Agriculture. Any award will be based on the evaluation criteria contained in the RFP.

The property, improvements, and fixtures are being offered on the basis **‘AS IS, WHERE IS, WITH NO IMPLIED OR EXPRESSED WARRANTY OF CONDITION WHATSOEVER.’** The state does not promise or imply that the successful offeror will make a profit. A fee simple title, subject to platted reservations, easements, restrictions, reservations of record, terms and conditions of the RFP, reversionary clause, covenants and contract containing the successful proposer’s submitted operating plan, will be provided to the successful offeror.

The BAC is interested in receiving and reviewing proposals that accomplish the goal of continued operations for a period of time and to maximize the return to the ARLF. The Department of Commerce, Community and Economic Development may be contacted through the Division of Agriculture and will be able to assist entities or persons interested in pursuing the project in formulating an operating plan(s) for MMM&S.

The operation plan submitted by the offeror is a binding obligation and runs with the land for the agreed upon term specified in the proposal and contract. This offer is pursuant to AS 03.10.050 and 11 AAC 39.700 – 790; also reference Chapter 81 SLA 00 (SCSCSHB 116)(RES).

1.2 Minimum Requirements for Offeror

Submit an operating plan that maintains or increases the current level of slaughter and processing service provided for the industry for a period of 3 or more years.

The successful offeror must meet the following minimum requirements:

- A. Demonstrate the capability to meet the offer price--offer must be equal to or greater than the minimum acceptable price of \$10;
- B. Demonstrate the experience and ability to operate a slaughter/processing plant; and
- C. Demonstrate that the offeror has a 3 or more year operating plan to process and market Alaska produced livestock.

1.3 Issuing Office

Department of Natural Resources
Division of Agriculture
1800 Glenn Hwy, Suite 12
Palmer, AK 99645-6736
Project Manager: Larry DeVilbiss, Director
PHONE: (907) 761-3851
FAX: (907) 745-7112
E-mail: <Larry_Devilbiss@dnr.state.ak.us>

1.4 Pre-proposal Conference

All potential offerors are invited to attend a non-mandatory pre-proposal conference at 9:00 AM March 31, 2006 at the Division of Agriculture office in Palmer. Division of Agriculture

personnel will conduct the conference, provide a general overview of the offering, and schedule a tour of the MMM&S facility as requested at the conference. Substantial questions and answers that arise out of this conference will be distributed to all offerors on the Division of Agriculture offerors' list.

1.5 Competitive Integrity

The Division of Agriculture seeks to maintain a competitive environment for potential proposers to protect the integrity of the proposal process. The project manager or designee is the only authorized executive branch official with whom a potential offeror, or anyone on his/her behalf, may have contact concerning solicitation of this RFP. A potential offeror may however, contact Department of Commerce staff in regards to receiving assistance in preparation of an operations plan or in assistance of formation of a cooperative to operate MMM&S.

1.6 Required Review

All offerors should carefully review this RFP for defects. Questions, objections, or comments must be made in writing and received by the issuing office no later than 20 working days before the proposal submittal deadline so that any necessary addenda may be distributed to all interested parties. Protests based on omissions, errors, or the contents of this RFP will be disallowed if not submitted to the project manager in writing prior to this deadline.

1.7 Addenda to the RFP

Any addenda to this RFP will be in writing, made available to persons who have received a copy of this RFP from the issuing office and posted on the Division of Agriculture website.

1.8 Americans with Disabilities Act

The State of Alaska complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who need special accommodations must contact the Division of Agriculture in Palmer between the hours of 8:00 AM and 5:00 PM, Monday – Friday at TDD (907) 762-2468 or (907) 745-7200 prior to March 31, 2006.

1.9 Responsibilities of State Officials

The Director of the Division of Agriculture is the project manager and contact person for information regarding this RFP. The Director shall negotiate the final terms and conditions of the contract subject to BAC final approval.

Evaluation Committee: The Director of the Division of Agriculture shall serve as chairman of the committee and shall appoint 3 additional members to the committee to evaluate the proposals and make a recommendation to the BAC.

Board of Agriculture and Conservation: The BAC has the authority to reject all proposals or cancel this offering in all or part at any such time to protect the interests of

the ARLF. The BAC is responsible for accepting or rejecting the recommendation of the evaluation committee or canceling the RFP. The BAC will issue any Notice of Intent to Award. The Chairman of the BAC will execute the final agreement. The BAC will have the authority to enforce the covenants of the sale, the RFP and the 3-year operations plan and review or approve any modifications of the operations plan.

2.0 PROPERTY PROFILE

Mt McKinley Meat and Sausage

Minimum Price: \$10

Appraisal: \$1,200,000 (real property and improvements in 2005)
\$250,000 (personal property in 2000) The appraisals are available for inspection at the Division of Agriculture office in Palmer.

Legal Description: Lot H-2C-2, Palmer Industrial Park, according to Plat 84-2, Palmer Recording District

Location: 385 Inner Springer Road, Palmer, Alaska

Title: Fee simple subject to platted reservations, easements, restrictions, reservations of record, terms and conditions of the ARLF RFP #06-01 offering, reversionary clause, covenants and contract containing the successful proposer's submitted operating plan.

Lot Size: 3.5 Acres

Improvements/Fixtures: Total estimated building area - 16,000 sf
Freezer space - 5,000 sf
Cooler space - 5,000 sf
Loading docks - 3 bay doors and 3 docks
Processing area - 2,400 sf
Smoking area - 500 sf
One fully equipped processing line
Number of structures - 3 (main building, maintenance shed, storage shed)

Present Use: Slaughter, processing and marketing facility

Road Access: Via Inner Springer Road

Financing: **See Section 3.3**

Inspection Contact: Larry DeVilbiss, Division of Agriculture, (907) 761-3851
E-mail <Larry_Devilbiss@dnr.state.ak.us>

The information below is available on Division of Agriculture Website located at http://www.dnr.state.ak.us/ag/ag_mmmms.htm:

December 1, 2003 Mt. McKinley Meat & Sausage Company Review and Recommendations

June 30, 2005 FY 05 Statement of Revenues & Expenses

August 1, 2005 Memo to BAC from Division

August 11, 2005 BAC motions

September 21, 2005 Appraisal Summary

October 14, 2005 Mt. McKinley Meat & Sausage Public Hearing Transcripts

November 1, 2005 Memo to BAC from Division

November 8, 2005 BAC motions

December 1, 2005 Letter to BAC from Director

December 1, 2005 MMM&S Background

December 1, 2005 MMM&S Alternatives

January 27, 2006 MMM&S Transition Plan Memo to BAC from Director

January 27, 2006 MMM&S Transition Plan

February 7, 2006 BAC motions

February 2006 MMM&S Equipment List

2.1 Facility History

The Agricultural Action Council, through an appropriation from the Alaska Legislature, financed the construction of MMM&S in the early 1980s. MMM&S was privately operated from 1983 until 1985. The facility was then repossessed by the ARLF as a result of a loan default. Under a memorandum of agreement between the Alaska Department of Natural Resources and the Alaska Department of Corrections (DOC), MMM&S was reopened in December of 1986. DOC operated the plant for the Division of Agriculture, using it as a training opportunity for inmates while continuing to provide a slaughter facility for Alaskan farmers.

In 2001, the ARLF took over some of the financial obligations of operating the plant. On December 1, 2003, operation of the plant was taken over completely by the Division of Agriculture as DOC discontinued its financial and management support.

On August 11, 2005 the Board of Agriculture and Conservation (BAC) voted to "authorize an updated appraisal or letter of opinion of MMM&S based on fair market value as is where is, assuming no restrictions on future use of property." In a separate motion the BAC moved and voted unanimously to "authorize the Division to begin the process to sell MMM&S immediately, and to close the State directed operation on October 14, 2006." On October 14, 2005 the BAC held a hearing on the proposed disposal of MMM&S. The majority of comments received during testimony requested the continued subsidized operation by the state. No alternatives to closing MMM&S were proposed during the hearing. On March 7, 2006, the BAC moved and voted unanimously to (1) authorize the Director to move forward with a competitive disposal of MMM&S pursuant to the RFP terms outlined in the RFP summary memo dated February 28, 2006 and (2) authorize offering the RFP to the public.

2.2 Facility Operation

MMM&S is currently operated by the Division of Agriculture. The plant employs three state employees: a Production Manager II and 2 Production Manager 1's. Inmates working in the

plant range in number from 15 to 27, depending on the availability of inmates with the appropriate security clearance and the level of slaughter activity. The Division of Agriculture provides meat grading and the USDA provides meat inspection.

The facility purchases livestock primarily from producers located in the Matanuska-Susitna and Tanana Valleys, and the Kenai Peninsula. Occasional purchases may come from Kodiak Island and neighboring islands, as well as the Aleutian Chain.

MMM&S produces a wide range of beef and pork products. The products are marketed to State institutional entities, as well as private businesses. The Division of Agriculture will provide assistance to the successful offeror and the Department of Corrections (DOC) to develop a Memorandum of Agreement regarding the use of DOC inmate labor and meat purchases. The successful offeror will have to compete for the institutional markets that are now the sole purview of the Division of Agriculture.

2.3 Annual Activity and Operational Costs

Information provided by the Department of Natural Resources, Financial Services Section concerning recent plant activity and plant operating costs is posted on the Division of Agriculture website.

3.0 SOLICITATION

3.1 Summary of Solicitation Process

Subsequent sections of this RFP contain detailed information on the process that will be used to make any award. Proposal requirements are detailed in Section 4. The Evaluation Committee will evaluate proposals utilizing the criteria listed in Section 5 and make a recommendation to the BAC.

3.2 Proposal Submittal

All offerors are required to deliver one copy of their proposal in a sealed envelope to the address given under "Issuing Office." Proposals must be received at the issuing office on or before 3:00 PM, June 9, 2006. A late proposal will not be accepted. The proposal, including all appropriate attachments, must be delivered in a sealed envelope, clearly labeled as follows:

"PROPOSAL FOR PURCHASE AND OPERATION OF
MT. MCKINLEY MEAT AND SAUSAGE"
ARLF RFP #06-01
(COMPANY OR RESPONDENT'S NAME)

All proposals will be recorded on the time and date they are received. **Faxes and emails will not be accepted.** Once submitted, a proposal becomes the property of the State.

3.3 Financing

ARLF Installment Contract Financing is **NOT** available. An ARLF loan for purchase of the facility may be available subject to application, review and approval by the BAC, pursuant to AS 03.10.020 and 11 AAC 39.101-241.

Offerors are not required to be residents of the State of Alaska to participate in the RFP offering; however the board may approve a loan to an individual only if that individual is a resident of the state under [AS 01.10.055](#); and the board may make a loan to a corporation, partnership or other association only if the majority ownership is held by persons who are residents of the state under [AS 01.10.055](#). Proof of current Alaska residency must be provided by applicants at loan closing.

3.4 Operations as Part of Sale

The operation plan of the successful respondent will be an integral part of the sale. The operations plan will be a binding obligation and runs with the land.

3.5 Interviews for Clarification

The Evaluation Committee may require offerors to provide clarification of certain points in their proposals prior to completion of the evaluation process. The purpose of these interviews is to ensure that the Evaluation Committee has a thorough understanding of the contractor's proposal. Material changes to proposals or negotiations will not be allowed during this process. Information requested for the purposes of clarification will be limited to verification of statements made in the proposal. All offerors will be given similar opportunities, as required for clarification. Interviews will be conducted in such a manner that information derived from competing offerors is not disclosed. Interviews will be scheduled at the convenience of the Issuing Office. AS 44.62.310 does not apply to meetings with offerors conducted under this section. Interviews may be conducted by teleconference.

3.6 Oral Presentations

The Evaluation Committee may require selected offerors to make an oral presentation of their proposal. Such presentations provide the contractor with an opportunity to clarify the proposal to the Evaluation Committee and ensure a mutual understanding of its content. Any presentations would be scheduled at the discretion of the Evaluation Committee chair and would be limited to those offerors who have submitted a proposal deemed reasonably acceptable for award by the evaluation committee.

3.7 Right of Rejection

The BAC may reject any or all proposals and is not obligated to enter into an agreement with any offeror. The BAC is not responsible for any cost associated with the preparation or submission of proposals. The BAC reserves the right to postpone, cancel or vacate this offering in whole or in part at any time prior to signing the final conveyance documents.

3.8 Appeals

Unsuccessful offerors adversely affected by the BAC decision may appeal or request reconsideration of the BAC's decision within 30 calendar days after the decision. A person adversely affected by a decision made by the board, that is a final administrative decision, may either seek reconsideration under 11 AAC 39.800-860 or appeal to superior court under the Alaska Rules of Appellate Procedure. All requests for reconsideration must reference ARLF RFP #06-01 and be addressed to:

**Board of Agriculture and Conservation
1800 Glenn Highway Suite #12
Palmer, Alaska 99645**

4.0 PROPOSAL SUBMISSION REQUIREMENTS

Proposals must include the information and documents required in this section. Division staff will review all proposals submitted for responsiveness. Proposals that do not include the information and/or documents listed below will be determined to be non-responsive and will not be forwarded to the Evaluation Committee.

- A. Transmittal Letter:** Offerors must include a letter of transmittal containing the following:
- (1) Complete name and address of the offeror;
 - (2) Name, mailing address, and telephone number of the contact person for the proposal;
 - (3) A statement confirming that the proposal is valid for 180 days;
 - (4) The signature of the individual authorized to commit the offeror to the provisions of the proposal; and
 - (5) Authority to act if the individual signing is representing a corporation, partnership, LLC, or similar entity.
- B. Offeror's Affidavit:** Offerors must complete the attached Offeror's Affidavit and submit this with their proposal. The affidavit must be completed and signed by an authorized individual.
- C. Operations Plan:** Offerors must include a complete three-year operations plan. At a minimum, the plan must include the following components:
- (1) Provide for operations of the kill floor and an assurance that Alaska farmers will have reasonable access to the services of the facility that meets or exceeds the current level of services;
 - (2) Demonstrate understanding and compliance with all USDA requirements;

- (3) Provide sufficient level of detail regarding the purchase price formula to be used for payment to producers;
- (4) The anticipated sources of animals and markets for products;
- (5) If the plan includes wild game processing, the offeror should address how the plan will comply with all USDA requirements;
- (6) A projected three-year cash flow for facility operation--financial information as it relates to the proposed operation of the plant which may be made available to the public; and
- (7) Names of key personnel who will be responsible for managing the operations of the business and the percentage of time these individuals will be committed to the operations of this facility.

D. Documentation of Experience & Qualifications: The proposal must include detailed information about key persons involved in the transaction. At a minimum, this would include experience and qualification of key staff members in operating or managing meat processing facilities and the marketing of meat products. Qualifications of the offeror are required, as well as those of any proposed contractors, subcontractors, or individuals or companies that are discussed in the operations plan or proposal. References must be included, with current contact names and phone numbers.

E. Evidence of Financial Viability: The proposal must include information on how capital and operating needs will be met, including information on sources of capital for plant purchase and plant operation. Items such as audited financial statements or balance sheets, personal savings, letters of credit, investor funding, and other information that demonstrates the respondent is capable of obtaining sufficient financial resources to operate the facility under the proposed operation plan should be provided. The proposer should label financial information provided under this section confidential. This information will be kept confidential by the State.

5.0 PROPOSAL EVALUATION AND AWARD

5.1 Preliminary Review of Proposals

All proposals received will be evaluated by staff to determine responsiveness to the minimum requirements of the RFP offering. Proposals that do not include the information and/or documents listed below will be determined to be non-responsive and will not be forwarded to the Evaluation Committee. Responsive proposals will be forwarded to the Evaluation Committee for review based on the evaluation criteria and weighting listed in this section.

5.2 Evaluation Committee Process

Each committee member will independently review and score each proposal based on the criteria and weightings defined in Section 7.0.

The Evaluation Committee may recommend acceptance of a proposal based on the initial

evaluation of proposals. However, if the committee desires they may request additional information, presentations or conduct interviews for the purpose of clarification. The same Evaluation Committee using the same criteria and weights in this section will conduct any re-evaluation of proposals after discussions for the purpose of clarification. Offerors will not be given the opportunity to make substantial modifications to their proposals at this stage.

5.3 Evaluation Criteria

The following criteria and weight will be applied in the evaluation of proposals submitted in response to this RFP.

A. Operation Plan: 30 points

At a minimum, evaluation of these criteria will consider how well the operation plan meets the requirement of providing an outlet for Alaska livestock and the viability of the plan based on current assumptions and projected market conditions. The committee will also consider the level of detail provided and if the plan adequately addresses all relevant issues. The plan must include information on how capital and operating needs will be met, information on sources of capital for equipment, labor, facility payments, taxes, insurance, maintenance and operation. Items such as audited financial statements or balance sheets, personal savings, letters of credit, investor funding, and other information that will indicate that the respondent is capable of obtaining sufficient financial resources to operate the facility under the proposed operation plan should be provided. The evaluation of this criterion will consider how well the operations plan meets the requirement of continued operation as USDA inspected slaughter facility and the viability of the plan based on the economics of operating and maintaining the facility for three (3) or more years.

B. Offeror's Experience & Qualifications: 20 points

At a minimum, this would include experience and qualification of key staff members in operating or managing meat processing facilities, the marketing of meat products, facility and equipment maintenance, agricultural and general business experience and ability, and the amount of experience in the operation and maintenance of a USDA inspected facility. Qualifications of the proposer are required, as well as those of any proposed contractors, subcontractors, or individuals or companies that are discussed in the operations plan or proposal. References must be included, with current contact names and phone numbers. The committee will also consider the level of detail provided and if the information provided adequately addresses all relevant concerns related to specific experience and qualifications necessary for the continuing operation of a USDA inspected slaughter facility in south-central Alaska.

C. Financial Viability: 25 points

At a minimum, the evaluation of this criterion will be based on the proposer's financial ability to purchase MMM&S and to maintain and operate the facility as specified in the operation plan submitted.

D. Price Offered: 25 points

The evaluation of this criterion will be based on the dollar amount offered. The highest dollar amount offered will receive the highest number of points (25) allocated in this category. All other responsive proposals will be rated in relation to the highest dollar amount offered. The following formula will be used to compute the points in the price offered category:

Hi-Bidder will receive 25 points: 5 base points (which all other proposals will be rated relative to); and 20 bonus points for submitting Hi-Bid, for a total of 25 points to the proposer offering the highest dollar amount.

Other bidders will be given a percentage of the 5 base points based on the percentage of their offer compared to the highest offer.

Example:

Hi-Bid	=	\$600,000	=	5 base points + 20 hi-bid points = 25 total points
2 nd Hi-Bid	=	\$550,000	=	91.8% of \$600,000 and 91.8% of 5 base points = 4.59
3 rd Hi-Bid	=	\$525,000	=	87.5% of \$600,000 and 87.5% of 5 base points = 4.37

5.4 Evaluation Committee Recommendations

The committee will provide a written recommendation to the BAC.

5.5 Notice of Intent to Sell

Upon successful completion of the evaluation process and selecting a responsive proposal, the BAC will issue a written Notice of Intent to Award to the successful offeror.

5.6 Closing Terms and Conditions

The transaction closing will be completed through a title company. The offeror is responsible for all closing costs. Closing must take place no later than 90 days following the date of the Notice of Intent to Award unless otherwise agreed to in writing by the BAC. A contract in the form incorporated herein will be executed prior to conveyance. Taxes and assessments, if applicable, will be prorated as of the closing date.

6.0 OFFEROR'S AFFIDAVIT

_____ being first duly sworn, state(s) the following:

1. The purchaser inspected the MMM&S land, improvements and equipment, or voluntarily declined to do so, and is satisfied as to the condition of the property being offered and accepts it "AS IS WHERE IS" without warranty for any purpose or use.
2. The Affiant (as offeror or as authorized representative or officer of the offeror) has carefully examined all proposal documents relating to the disposal of Mt. McKinley Meat and Sausage.
3. The offeror acknowledges that all documents and statements, except for confidential financial records, become the property of the State of Alaska (State) when received by the Division of Agriculture and then become public information at the time the Division of Agriculture issues a notice of intent to award.
4. The proposal is not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization, or corporation.
5. The proposal is genuine, not collusive, nor a sham.
6. The offeror has not directly or indirectly induced or solicited any other proposer to submit a false or sham proposal and has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to submit a sham proposal or to refrain from submitting a proposal.
7. The offeror has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the obligations of this or any other proposal; nor fix the cost element of the proposal price; nor to secure any undue advantage against the Department of Natural Resources, or anyone interested in ARLF RFP #06-01.
8. All statements contained in the proposal and supporting documents are true.
9. The offeror has not, directly or indirectly, divulged the proposal to any individual or any agent of any corporation or company, or organization competing in ARLF RFP #06-01.
10. The offeror has not paid and will not pay or agree to pay, directly or indirectly, any money or other valuable consideration to any public official that may participate personally and substantially in the selection of the successful proposer.
11. The offeror is not in arrears on any payment owed to the State; is not in default of any obligation to the State; and has not failed to perform any previous agreement with the State faithfully and diligently.
12. The offeror is able to successfully undertake and complete the responsibilities and obligations of this offering and proposal as submitted.
13. The offeror has not engaged in any unauthorized contact with State Executive Branch officials.

If the proposer is a partnership or joint venture, all general partners or venturers of the joint venture must sign. If the offeror is a corporation, a signature of one or more authorized representatives as required to obligate the corporation is provided with proof of authorization.

(Corporate Seal if
a Corporation)

Name of Offeror

Signature

Signature

Title

Title

Signature

Signature

Title

Title

Signature

Signature

Title

Title

NOTARIZE (copy and attach additional acknowledgement sheets as needed)

ACKNOWLEDGMENT

STATE OF _____)
)SS.
_____)
(Judicial District or County)

THIS IS TO CERTIFY that on this _____ day of _____, 2006, personally appeared _____, known to me to be the person named in and who executed the foregoing instrument, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed with full authority for the uses and purposes set forth.

Notary Public in and for: _____

My Commission Expires: _____

ACKNOWLEDGMENT

STATE of _____)
)SS.

_____))
(Judicial District or County)

THIS IS TO CERTIFY that on this _____ day of _____, 2006, personally appeared _____, known to me to be the person named in and who executed the foregoing instrument, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed with full authority for the uses and purpose set forth.

Notary Public in and for: _____

My Commission Expires: _____

7.0 EVALUATION COMMITTEE SCORING

A committee made up of four (4) members, with the Director of the Board of Agriculture and Conservation as chairman and member of the committee, will evaluate the proposals and make a recommendation to the BAC. The Evaluation Committee may recommend acceptance of a proposal based on the initial evaluation of proposals. However, if the committee desires, it may request additional information, presentations or conduct interviews for the purpose of clarification. All proposals received by the Evaluation Committee must be evaluated using this form. All proposals submitted to the committee have been determined to meet the minimum requirements for submission of a proposal. To be considered responsive by the committee, a proposal must meet the minimum requirements established by the criteria outlined in the RFP.

The evaluation process will be conducted as follows:

1. Evaluators will number each proposal received as directed by the chair;
2. Evaluators will individually read each proposal;
3. Evaluators will individually draft notes of significant issues (both affirmative and negative);
4. Evaluators will individually assign draft scores;
5. Evaluators will, as a team, discuss each proposal;
6. Evaluators may modify their scores if necessary after discussion; and
7. Committee Chair will present a written recommendation to the BAC.

Evaluation Criteria

The four components that make up the evaluation criteria and their ranking in the scoring process are:

- A. Three-Year Operating Plan-----30 POINTS
- B. Proposer's Experience and Qualifications-----20 POINTS
- C. Financial Ability-----25 POINTS
- D. Price Offered-----25 POINTS

Evaluator Name _____

Date _____

Proposal # _____

Scores for this proposal:

Category A. _____ points

Category B. _____ points

Category C. _____ points

Category D. _____ points

TOTAL _____ **points**

B. Proposer’s Experience & Qualifications—20 points

At a minimum, this would include experience and qualification of key staff members in operating or managing meat processing facilities, the marketing of meat products, facility and equipment maintenance, agricultural and general business experience and ability, and the amount of experience in the operation and maintenance of a USDA inspected facility. Qualifications of the proposer are required, as well as those of any proposed contractors, subcontractors, or individuals or companies that are discussed in the operations plan or proposal. References must be included, with current contact names and phone numbers. The committee will also consider the level of detail provided and if the information provided adequately addresses all relevant concerns related to specific experience and qualifications necessary for the continuing operation of a USDA inspected slaughter facility in south-central Alaska.

NOTES: _____

C. Financial Ability—25 points

At a minimum, the evaluation of this criterion will be based on the proposer’s financial ability to purchase MMM&S and to maintain and operate the facility as specified in the operation plan submitted. To the extent that the offeror designates and the Director concurs, trade secrets and other proprietary data contained in the proposal documents will be designated confidential.

NOTES: _____

8.0 CONTRACT AND USE COVENANT

AGREEMENT ADA-_____

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
BOARD OF AGRICULTURE AND CONSERVATION
1800 Glenn Highway, Suite 12
Palmer, Alaska 99645-6736

CONTRACT AND USE COVENANT
AG _____

This agreement is entered into this ____ day of _____, 2006, between the Board of Agriculture and Conservation (BAC), Division of Agriculture, State of Alaska (Seller) and _____ (Purchaser) whose address is _____ . Seller agrees to sell and Purchaser agrees to purchase the Premises described below provided that the slaughter and processing facility remains open for a period of ____ years as provided in this agreement and subject to title conveyed with a reverter clause.

1. Premises. The real and personal property of Mount McKinley Meat and Sausage Company (MMMS) located in the Matanuska-Susitna Borough, more specifically described as:

Lot H-2C-2, Palmer Industrial Park according to Plat 84-2, Palmer Recording District, Third Judicial District, Alaska,

is an asset of the Agricultural Revolving Loan Fund (ARLF). A property profile of the Premises is Attachment A to this agreement. An inventory of the equipment and fixtures is Attachment B to this agreement.

2. Use Covenant.

a. Purchaser agrees and covenants to utilize the premises for a period of ____ years for slaughtering, purchasing, processing, and marketing of domestic livestock and products produced as provided in this agreement.

b. For the period of ____ years use of the Premises is strictly limited to the above-listed uses, as well as those activities related to and required to support and operate

the facility. Use of the Premises for any other purpose, requires prior written approval of seller.

3. Covenant Term. The use covenant term is for ____ () years beginning on _____ ____, 200_ and ending on _____ ____, 200_ (Covenant Term).

4. Non-transferable. The property is nontransferable during the Covenant Term without the prior written approval of Seller.

5. Operating Plan for Slaughtering, Processing and Marketing Livestock is Part of the Contract and Use Agreement. Purchaser's Operating Plan for Slaughtering, Processing and Marketing Livestock (Operating Plan) is made part of this Contract and Use Agreement and is Attachment C. Purchaser's failure to perform its operations in accordance with the Operating Plan is a breach of this Contract and Use Agreement and will be grounds for termination.

6. Proposal is Part of the Contract and Use Agreement. The successful proposal that was awarded for the purchase of the Premises is made part of this Contract and Use Agreement and is Attachment D. Purchaser's failure to perform its operation in accordance with the proposal is a breach of this Contract and Use Agreement and will be grounds for termination.

7. Covenant to Maintain Current Level of Service. Purchaser agrees to slaughter all domestic livestock grown or raised in the State of Alaska and delivered to the Premises, subject to the formulas, fees and operation schedules contained in the Operating Plan and all other provisions of this Contract and Use Agreement. Cattle, sheep, swine, goats, bison, reindeer and elk are domestic livestock under the terms of this agreement.

8. Domestic Livestock Purchase Obligation. Purchaser agrees to purchase domestic livestock according to the payment formulas, fees and operation schedules contained in the Operating Plan. Purchaser will pay for the domestic livestock within 72 hours and in a manner consistent with 7 U.S.C. 181 (Packers and Stockyard Act 1921), to the extent 7 U.S.C. 181 is applicable, unless an alternate payment arrangement has been made in writing before the animal is weighed.

9. Purchase and Pricing of Other Livestock. Purchaser may slaughter and process consumer or producer owned animals for home use or resale consistent with U.S.D.A. requirements.

10. Title. Title is to be conveyed subject to a reverter clause such that if Purchaser violates or fails to perform any term of this Contract and Use Agreement during the Covenant Term, title will automatically revert to Seller. The parties agree to execute those documents necessary to clear title in the event of breach or expiration of the Covenant Term.

11. Breach of Use Covenant. If Purchaser violates or fails to perform any term of this Contract and Use Agreement, Seller may recover possession of the Premises by giving Purchaser 30 days prior written notice unless the breach is cured within the 30 day period. Purchaser must vacate the Premises at the end of the 30 day notice if the breach has not been cured to the satisfaction of Seller. Title will automatically revert to Seller pursuant to the reverter clause.

If the violation creates an emergency situation, Seller may immediately take possession of the property and Purchaser must vacate the Premises immediately.

In the event that the Premises are abandoned by Purchaser during the Covenant Term, Seller may take immediate possession of the Premises, and all animals, personal property and improvements therein without liability for damage.

12. Utilities and Maintenance. Purchaser shall provide for all utilities, maintenance services and other expenses associated with the day-to-day operation and maintenance of the plant.

13. Insurance.

a. Purchaser shall secure and keep in force during the Covenant Term adequate insurance to protect against comprehensive public liability and property damage. The following insurance is required with the following minimum amounts:

Comprehensive General Liability, including Premises, all operations, and personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 and an aggregate of \$2,000,000. This policy shall name the Seller as an additional insured.

Property Damage at the replacement value of \$3,375,000. This policy shall name the Seller as an additional insured.

b. Purchaser shall provide Seller proof of insurance coverage in the form of an insurance policy or a certificate of insurance, together with proof that the premiums have been paid, and shall show the types and monetary limits of coverage secured. All insurance required by this provision must provide that Seller be notified at least 30 days prior to any termination, cancellation, or material change in the insurance coverage.

14. Indemnification.

Purchaser shall indemnify, defend, and hold Seller, its agents, and employees harmless from and against any and all liability, loss, suit, claim, judgment,

fine, demand, damage, penalty, property damage, or personal injury of whatever kind, including sums paid in settlements of claims, attorney fees, consultant fees, expert fees, or costs incurred arising from or connected with this Contract and Use Agreement, Purchaser's use or occupation of the Premises, Purchaser's operations or any act or omission by Purchaser, its agents, contractors, employees, or customers. Purchaser shall give Seller reasonable notice of any such claims or actions and shall use counsel reasonably acceptable to Seller in carrying out its obligations.

15. Laws and Taxes.

- a. This Contract and Use Agreement is issued subject to all requirements of the laws and regulations of the State of Alaska.
- b. Purchaser will conduct all activities or business in compliance with all federal, state and local laws, ordinances, rules and regulations in force that apply to the activities or business authorized in this Contract and Use Agreement including matters of U.S.D.A. grading and pricing standards, health, safety, sanitation and pollution.
- c. Purchaser shall obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises and pay other fees and charges assessed under applicable public statutes or ordinances.
- d. In any dispute between the parties, the laws of the State of Alaska will govern. If a dispute continues after exhaustion of administrative remedies, any lawsuit must be brought in the courts of the State of Alaska, Third Judicial District at Palmer.

e. Purchaser shall promptly notify Seller of any claim, demand, or lawsuit arising out of Purchaser's occupation or use of the Premises. Upon Seller's request, Purchaser will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit affecting the Premises.

f. Purchaser shall promptly give Seller notice of proceedings to abate or settle matters relating to the presence or release of hazardous substance or infectious waste on the Premises or from Purchaser's operation. Purchaser shall allow Seller to participate in such proceedings or discussions.

16. Liens. Purchaser shall keep the Premises and improvements placed on the Premises free of all encumbrances, including liens arising from work performed for Purchaser or any obligations incurred by Purchaser, pay all costs for labor and materials arising out of any construction or improvements by Purchaser on the Premises, and hold Seller harmless from liability for any liens, including costs and attorney fees. In the event the Premises is to be used for security or loan collateral during the Covenant Term, Purchaser can obtain Seller's written approval to waive the provision of this paragraph.

17. Improvements. Purchaser shall obtain written approval from Seller prior to making any capital improvements. Purchaser is financially responsible for any capital improvements.

18. Waiver or Forbearance. No failure on the part of Seller to enforce a condition or covenant of this Agreement and Use Covenant, nor the waiver of any right hereunder by Seller, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of Seller to enforce any term or covenant in the event of any subsequent breach or default.

19. Recovery of Possession. In the event of breach of the Use Covenant, Purchaser shall quietly and peaceably leave, surrender and yield up unto Seller all of the Premises. Unless otherwise agreed to in writing:

a. All leasehold improvements shall become the absolute property of Seller, with the exception of those improvements Seller authorized in writing could be removed upon termination Contract and Use Agreement.

b. Purchaser shall remove all improvements Seller has authorized.

c. Purchaser shall leave the Premises in a safe and clean condition.

d. Purchaser shall leave all equipment and improvements in a good working condition.

20. Notices. All notice required or permitted shall be made by certified mail, postage prepaid, to the parties at the following address:

To the Seller: Director
Board of Agriculture and Conservation/Alaska Division of
Agriculture
1800 Glenn Highway, Ste. 12
Palmer, Alaska 99645-6736

To the Purchaser:

Any notice or demand shall be in writing and shall be complete if sent by United States certified mail to the address listed above, or to such other address that the parties may designate in writing from time to time.

21. Benefit of Agreement. This Agreement is for the benefit of the BAC, the ARLF and Purchaser and is not for the benefit of any person, agency, or entity who is not a party to this Contract and Use Agreement.

22. Modification. This Agreement cannot be modified unless both parties agree in writing.

23. Validity of Parts. If any provision or covenant of this Contract and Use Agreement is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.

24. No Warranty. Seller makes no specific warranties, express or implied, concerning the condition of the Premises or equipment, suitability for any use, or the environmental condition. **THE REAL AND PERSONAL PROPERTY IS PURCHASED “AS IS WHERE IS” WITH NO IMPLIED OR EXPRESSED WARRANTY OF CONDITION WHATSOEVER.**

25. Costs and Fees Incurred to Enforce Contract and Use Agreement. Purchaser shall pay all actual expenses, costs, and attorney fees Seller may incur, with or without formal action, to enforce, defend or protect this Contract and Use Agreement or Seller’s rights under this Contract and Use Agreement.

Dated: _____

Dated: _____