

# 2007 CONTRACT

## SUSTAINABLE NATURAL RESOURCE FUNDING ECONOMIC STUDY FOR THE SUSTAINABLE FUNDING FOR NATURAL RESOURCES STUDY COMMITTEE

### I. LEGISLATIVE BACKGROUND.

On August 13, 2007, the Sustainable Funding for Natural Resources Study Committee (hereinafter referred to as "Study Committee") adopted a proposal recommending that the Legislative Council enter into a Contract with Iowa State University to, in general, review literature and analyze and compile existing state and regional data concerning the economic impact, conservation benefits, and social benefits of natural resources in Iowa.

### II. PARTIES.

The parties to this Contract are the Legislative Council, created pursuant to Code section 2.41, acting through the Chairperson and Vice Chairperson of the Legislative Council, and identified with the Federal Employer Identification Number 42-6022199, and the College of Agriculture and Life Sciences at Iowa State University (hereinafter referred to as "Consultant") and identified with the Federal Employer Identification Number 42-600-4224.

### III. SCOPE OF SERVICES.

#### A. Project.

The Consultant shall provide and perform the project described in the Proposal attached hereto as Exhibit "A" and incorporated herein by reference. For the purposes of this Contract, "Project" means the description of the project as described in Exhibit "A", under the oversight of Dr. Dan Otto. In addition to Exhibit "A", and as directed by the Study Committee at the meeting of the Study Committee on August 13, 2007, the Consultant shall answer the additional question of identifying the costs associated with failure to make a \$150 million annual investment over base funding.

#### B. Preliminary Final Report and Final Report.

The Consultant shall submit a preliminary final report of the Project to the Study Committee for review by the Study Committee by November 1, 2007, and shall make an in-person presentation to the Study Committee at a meeting of the Study Committee on November 1, 2007, or November 2, 2007, as determined by the Study Committee. The Consultant shall submit the final report in written form to the Study Committee by December 3, 2007, and make an in-person presentation of the Project to the Study Committee at a meeting of the Study Committee during the month of December 2007, as determined by the Study Committee. If the Consultant determines that the Consultant will be unable to meet a submission date requirement provided in this paragraph, the Consultant shall provide the

Legislative Council with notice seven days prior to the submission date. By accepting such notice, the Legislative Council does not waive its right to consider the failure to meet any submission date requirement a basis for nonjustifiable termination of the Contract.

**1. Form of Reports.** The Consultant shall submit 50 bound copies of a printed version and one uncompressed electronic version drafted in Microsoft Word or a similar word processing program for the preliminary final report and for the final report.

**2. Rights to Material Produced.** The Iowa General Assembly shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any data, reports, or other materials compiled or produced pursuant to this Contract. The Legislative Council and the Iowa General Assembly recognize that under University policy, the results of University research must be publishable and agrees that researchers engaged in the Project shall be permitted to present research results at symposia, national or regional professional meetings, and to publish in journals, theses or dissertations, or otherwise of their own choosing, methods and results of the Project.

#### **IV. PERFORMANCE PERIOD.**

The Consultant shall commence performance of the Project promptly, after the effective date of this Contract, and shall use all reasonable efforts, care, and diligence to perform such Project in accordance with the terms and conditions of this Contract. Notwithstanding anything in this Contract to the contrary, the Legislative Council and the Consultant may, at any time, amend the Project by mutual written agreement.

#### **V. PAYMENT OBLIGATIONS.**

The total payment for services, including related expenses, to the Consultant made by the Legislative Council under this Contract shall not exceed \$18,846 or the sum of the cost of the work performed by each person specified at that person's hourly rate as set forth in Exhibit "A", whichever is less. Payment is due following submission of the final report and upon presentation of the final report at the Study Committee's meeting in December 2007.

#### **VI. COMPLIANCE, TERMINATION, AND REMEDIES.**

##### **A. General.**

Remedies available as provided in this Contract are in addition to every other remedy available at law or in equity.

##### **B. Justifiable Termination.**

Any of the following shall be just cause for terminating this Contract, without breach of contract:

**1. Insufficient Moneys.** If moneys necessary to satisfy the Contract price are at any time not forthcoming or insufficient through the failure of the State of Iowa to make sufficient moneys available as a result of legally binding action, then the Legislative Council may terminate this Contract by giving not less than 20 calendar days' written notice to the Consultant documenting the lack of funding. Upon termination, the Legislative Council agrees to pay all costs incurred by the Consultant up to and until the date of termination. If moneys necessary to satisfy the Contract price become available within 40 calendar days subsequent to the termination under this Contract, the Legislative Council agrees to reexecute a contract with the Consultant under the same provisions of this Contract and any amendments as agreed to by the Legislative Council and the Consultant.

**2. Force Majeure.** If the performance of any provision of this Contract is prevented by an act of God, such as civil tumult, war, epidemic, interruption of transportation or communication, or any other cause beyond the control of a party, as determined by the Legislative Council, that party is relieved of the performance of that provision of this Contract. However, if the Consultant is prevented from performance, the Consultant shall provide the Legislative Council with written notice within 10 calendar days specifying the delayed event, the cause of the delay, its possible duration, the Consultant's efforts to remedy the situation, and the expected effect of the delay upon the schedule contained in this Contract. It shall be the Consultant's responsibility to show that the cause of the delay was beyond the Consultant's control and that the Consultant was not reasonably able to anticipate the event in order to avoid the delay.

**C. Nonjustifiable Termination.**

Either party may terminate this Contract if the other party breaches this Contract by failing to substantially comply with a provision of this Contract. The party terminating this Contract shall deliver written notice to the other party at least 20 calendar days following the breach of contract. The written notice shall document the breach of contract. If the Consultant breaches this Contract by failing to satisfy such provision, the Legislative Council may withhold all or a portion of unexpended moneys of the Contract price, retaining such moneys as liquidated damages. The Legislative Council may also continue this Contract and retain such moneys as liquidated damages. The Legislative Council shall deliver notice to the Consultant in writing of its decision to retain an amount of liquidated damages not later than 20 calendar days following the breach of contract.

**VII. ADDITIONAL GENERAL CONTRACT TERMS AND CONDITIONS.**

**A. Choice of Law and Forum.**

This Contract is governed by the laws of the State of Iowa. All disputes and controversies regarding this Contract shall be heard in the District Court of Polk County, Iowa.

**B. Compliance With Applicable Laws and Regulations.**

During the duration of this Contract and as a condition of the Consultant's duty to perform under the provisions of this Contract, the Consultant shall comply with all applicable laws and regulations of the State of Iowa and the United States, including but not limited to Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1991 (42 U.S.C. ch. 21), and the federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651-678).

**C. Subcontracting.**

The Consultant shall not provide for subcontracting, unless the Legislative Council approves the subcontractor and the terms and conditions of the subcontracting agreement as provided by the Legislative Council.

**D. No Pecuniary Gain or Conflict of Interest.**

The Consultant agrees that to its knowledge, the members of the Legislative Council, staff of the Iowa General Assembly, or a member of the Iowa General Assembly of the State of Iowa has not or will not receive any direct economic benefit because of the selection of the Consultant as a party to this Contract. The Consultant agrees that it has no interest and will not acquire any direct or indirect interest which would conflict in any manner with the performance of this Contract, and that a person having such an interest will not knowingly be associated in the performance of this Contract.

**E. Assignment or Transfer.**

The Consultant shall not assign or transfer any interest in this Contract to another person without the prior written consent of the Legislative Council.

**VIII. WAIVERS AND AMENDMENTS.**

**A. Agreement Modification.**

Any agreement to change the terms of this Contract in any way shall be valid only if the change is made in writing and approved by mutual agreement of authorized representatives of the parties to the Contract.

**B. Waiver Restriction.**

A person representing the Legislative Council shall not waive a requirement or amend this Contract, except upon the authorization of the Legislative Council.

**C. Failure to Act is Not a Waiver.**

The failure of a party at any time to enforce a provision of this Contract is not a waiver of the provision, and does not affect the validity of any provision of this Contract or the right of either party to subsequently enforce a provision of this Contract. A decision by the Legislative Council to ignore a breach of this Contract is not a waiver of a subsequent breach of this Contract.

## **IX. COMMUNICATION.**

### **A. Legislative Council Contacts.**

All communications to the Legislative Council regarding this Contract must be addressed to Mr. John Pollak:

Mr. John Pollak  
Committee Services Administrator  
Legislative Services Agency  
State Capitol  
Des Moines, IA 50319  
Telephone: (515) 281-3818  
Fax: (515) 281-8027  
E-mail: [john.pollak@legis.state.ia.us](mailto:john.pollak@legis.state.ia.us)

Mr. Pollak may designate alternate persons to receive communications for any issue that arises under this Contract.

### **B. Consultant Contacts.**

**1. Project Issues.** All communications to the Consultant regarding the project shall be made to Dr. Dan Otto:

Dr. Dan Otto  
Professor of Economics  
Department of Economics  
Iowa State University  
166C Heady Hall  
Ames, IA 50011-1070  
Office Phone: (515) 294-6147  
Fax: (515) 294-4545  
E-mail: [dmotto@iastate.edu](mailto:dmotto@iastate.edu)

**2. Contract Issues.** All communications to the Consultant regarding contractual issues shall be made to Ms. Joanne K. Altieri:

Ms. Joanne K. Altieri  
Director  
Office of Sponsored Programs Administration  
1138 Pearson Hall  
Iowa State University  
Ames, IA 50011-2207  
Phone: (515) 294-7723  
Fax: (515) 294-8000  
E-mail: [jaltieri@iastate.edu](mailto:jaltieri@iastate.edu)

**3. Payments.** Payments made to the Consultant pursuant to the Contract shall be made as follows:

Sponsored Programs Accounting Office  
3609 Administrative Services Building  
Iowa State University  
Ames, IA 50011-3609

**X. EXECUTION AND EFFECT OF EXECUTION.**

**A. Integration.**

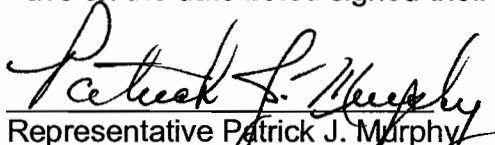
This Contract contains the entire agreement between the Legislative Council and the Consultant, and representations made before the signing of this Contract shall not be binding, and neither party shall rely upon conflicting prior representations in entering into this Contract.

**B. Effective and Termination Dates.**

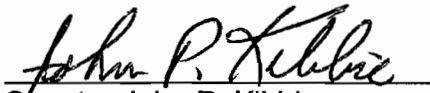
This Contract takes effect upon being signed by authorized representatives of the Legislative Council and the Consultant and continues until the provisions of this Contract are satisfactorily performed, or until this Contract is otherwise terminated under its provisions, unless amended by mutual written agreement of the parties.

**C. Signatures.**

The duly recognized representatives of the Legislative Council and the Consultant have on the date noted signed their names to and executed this Contract:

  
Representative Patrick J. Murphy  
Speaker of the House of Representatives  
Chairperson, Legislative Council

10/15/07  
Date

  
Senator John P. Kibbie  
President of the Senate  
Vice Chairperson, Legislative Council

10/16/07  
Date

  
Ms. Joanne K. Altieri  
Director  
Office of Sponsored Programs Administration

10/11/07  
Date

EXHIBIT "A"

# Sustainable Natural Resource Funding Advisory Committee

August 13, 2007

## PROPOSED STUDY

**Literature review, analysis, and compilation of existing state and regional data concerning economic impact, conservation benefits, and social benefits of natural resources in Iowa.**

### **Rationale:**

After researching and reviewing current streams of funding and budgets, the Sustainable Natural Resource Funding Advisory Committee estimated that \$150 million per year over base funding is called for to address the needs of Iowa's natural resources and provide opportunities to enhance the lives of Iowa's citizens.

The committee provided an initial report for legislative review regarding sustainable funding and the next step is to complete a comprehensive report on the benefits the state of Iowa would receive for the investment of the recommended \$150 million per year.

The following are types of questions that need to be answered:

- **How will Iowa's \$150 million annual investment over the years in natural resources affect the state's economy?** What is the economic impact of more trails, more hunting areas, cleaner water that encourages more water trails and lake use, more fishing opportunities, more soil and watershed projects on the ground, etc.? How does this improvement in Iowa's natural resources affect the state's ability to recruit and retain a high-performing work force?
- **What impact will the projects funded by Iowa's \$150 million annual investment over the years in natural resources have on the conservation and environmental health of the state?** What percentage of the watersheds for critical rivers and lakes will have targeted protection? How many public parks will be able to improve potable water access, sewage systems, and electrical hookups? What percentage of increased applications of soil and water conservation practices does this fund? How many acres does this provide for people to view wildlife? How many landowners are assisted in establishing or managing habitat improvements, etc.?
- **What is the societal benefit for the citizens of Iowa if \$150 million is invested annually in natural resources?** How does increased opportunity for outdoor recreation affect physical and mental health? How does a healthy natural resource base attract a diverse age population? What is the connection between place and job satisfaction, etc.?

The Center for Agriculture and Rural Development (CARD) program at Iowa State University has the socio-economic experts in place to conduct a thorough and comprehensive literature search and analysis to answer the above questions. CARD has previously provided the State with in-depth and beneficial study results, such as the Lakes Restoration Study, which has been a valuable analytical tool leading to action. To begin the research in this proposal, existing studies and reports specific to Iowa have been identified, as well as information from surrounding states that will provide predictive estimates to fill any gaps in Iowa-specific information.

**CARD has stated they could prepare a 60-70 page report by November 2007 for an estimated cost of \$30,000. The Advisory Committee respectfully requests consideration for funding this comprehensive study which would provide valuable information to the Interim Committee for their decision-making process.**

Respectfully Submitted,  
Sustainable Natural Resource Funding Advisory Committee

# EXHIBIT "A"

## Sustainable Natural Resource Funding Economic Study August 28, 2007

### Scope of Service:

The Contractor will produce a report detailing

- a) the economic impacts and social benefits associated with the current inventory of natural resource amenities and current usage pattern of them in Iowa;
- b) an assessment of the economic impacts and social benefits of \$150 million of increased annual investment in natural resource enhancements in Iowa.

The contractor will provide:

- A draft report document and will make a presentation to the Sustainable Funding Committee by mid October (15-19) for review.
- A final published report by the second week of November.
- A presentation will be made to the Interim Legislative Committee on sustainable natural resource funding the week of November 12-16.
- Digital or Electronic files of all presentations and reports.
- 50 bound copies of the final report the week of November 12-16.

### Budget Information (\$)

Item	Amount	Purpose
Kanlaya, 1/2-grad RA, 3 mo.	\$4,680	assist collecting & preparing maps, data, tables by graduate Research Assistant
Kanlaya benefits (11.6%)	543	
Kanlaya's tuition	781	
Monchuk	10,000	develop estimates of recreation benefits & quality of life effects
Printing/mailing	750	committee-requested 50 bound copies of report
Hourly employees	2,000	assist researchers with routine data collection
Hourly benefits	92	
<b>Sub total</b>	<b>\$18,846</b>	<b>Cost to Interim Legislative Committee on sustaining natural resources funding</b>
Contribution from ISU to coordinate and ensure completion of the study is Dr. Dan Otto's time and value thereof:		
Otto 1.5 months	\$13,166	coordinate project, estimate spending and visitation effects of expanding natural resource base recreation opportunities in Iowa
Otto Benefits (26.7%)	3,515	
<b>Total Study Cost</b>	<b>\$35,527</b>	