



CITY OF ADAK, ALASKA

Construction Contracts Informational

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Disclaimer: This document is provided as a guide to assist the user of this information. This document does not substitute for legal counsel and the City will not be responsible for any liability in using of this document. The user should be aware that laws/statutes/ordinances/regulations can change at any time and will supersede any information provided below.

Each business conducting, performing or providing any service or fulfillment of agreement within the municipality must abide by the relevant sections of the City of Adak Code of Ordinances. By recognizing and preparing before potential bid submittal to the proposing organization your company will be better equipped to perform the services as expected.

1. Your company must obtain a City of Adak Business License (ACO §4.08). This license is in addition to any licenses, permits or authorizations required by the State of Alaska and/or the Federal Government.
2. Your company must comply with all tax program requirements (see informational “Tips to Avoid Tax Penalties & Interest”) for each year you maintain a city business license.
3. If your company is bidding on a construction contract awarded by the State of Alaska or a State of Alaska agency, the City does not levy or collect a sales tax on the construction award nor on a subcontract awarded in connection with the project funded under the construction contract (AS 29.46.650(k)).
 - a. The City of Adak levies sales tax on all services provided to the contracting organization utilizing or obtaining supplies and/or services within the municipality. Your entity and subcontractors will not be granted a tax exemption on rent, materials, fuel, etc.
 - b. Your organization must report the value of the contract/billing on the sales tax return and properly report sales deemed exempt.
4. If your company is bidding on a construction or services contract awarded by the Federal Government or a Federal agency, the City does not levy or collect a sales tax on the construction/services award nor on a subcontract awarded in connection with the project funded under the contract.
 - a. The City of Adak levies sales tax on all services provided to the contracting organization utilizing or obtaining supplies and/or services within the municipality. Your entity and subcontractors will not be granted a tax exemption on rent, materials, fuel, etc.
 - b. Your organization must report the value of the contract/billing on the sales tax return and properly report sales deemed exempt.

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