



SERVICE EMPLOYEES  
INTERNATIONAL UNION  
CTW, CLC

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**Local 32BJ Headquarters**

101 Avenue of the Americas  
New York, NY 10013-1991  
212.388.3800

**Capital Area District**

866.925.3225  
Washington 202.387.3211  
Baltimore 410.244.5970.

**Connecticut District**

800.228.5253  
Hartford 860.560.8674  
Stamford 203.602.6615

**District 1201**

215.923.5488

**Florida District**

305.672.7071

**Hudson Valley District**

914.637.7000

**Mid-Atlantic District**

215.226.3600

**National Conference of  
Firemen and Oilers**

202.962.0981

**New Jersey District**

973.824.3225

**Western Pennsylvania**

412.471.0690

[www.seiu32bj.org](http://www.seiu32bj.org)

October 27, 2011

Daniel Duffy  
FOI Administrator  
Port Authority of New York and New Jersey  
225 Park Avenue South, 17<sup>th</sup> Floor  
New York, NY 10003  
Via Fax: 212-435-7555

**Re: Freedom of Information Request**

Dear Mr. Duffy:

Pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officer Law, and the Port Authority of New York and New Jersey policy on Freedom of Information found on the Port Authority website ([http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi\\_policy.html](http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html)), I am requesting copies of the service contract between the Port Authority and the following company to provide Fire Safety Director Services at the World Trade Center PATH station:

Guardian Security Services, Inc.  
161 Avenue of the Americas, 4th Floor  
New York, NY 10013

Please contact me at SEIU 32BJ, 101 Avenue of the Americas, 18<sup>th</sup> Floor, New York, NY 10013 if you have any questions regarding this request. My office phone number is (212)-388-3983, fax (212)-539-2858 and email is [cpipa@seiu32bj.org](mailto:cpipa@seiu32bj.org). I ask that you contact me if service and duplication charges for this request exceed \$200.00 overall.

Thank you for your attention to this matter.

Sincerely,

Christopher Pipa,  
Research Department

**THE PORT AUTHORITY OF NY & NJ**

Daniel D. Duffy  
*FOI Administrator*

July 10, 2012

Mr. Christopher Pipa  
SEIU 32BJ  
25 West 18th Street  
New York, NY 10011

Re: Freedom of Information Reference No. 12741

Dear Mr. Pipa:

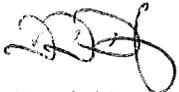
This is a response to your October 27, 2011 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code", copy attached) for a copy of the contract between the PA and Guardian Security Services, Inc.

Material responsive to your request and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/12741-C.pdf>. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to Exemption (1) of the Code.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,



Daniel D. Duffy  
FOI Administrator

Attachment



**THE PORT AUTHORITY OF NY & NJ**

December 10, 2008

**DHL Overnight Mail - 646-442-8982 or 8964**

Guardian Security Services, Inc.  
161 Avenue of the Americas  
New York, New York 10013

Attn: Mr. Michael Eisenberg, Vice President of Business Development  
Mr. Richard Lifrieri, Executive Vice President of GSS

**RE: REQUEST FOR PROPOSALS (RFP) NO. 16333  
FIRE SAFETY SERVICES AT THE TEMPORARY PORT AUTHORITY  
TRANS HUDSON (PATH) WORLD TRADE CENTER (WTC) STATION -  
PURCHASE ORDER #4500059947 CONTRACT #4600007569**

*Dear Gentlemen:*

The Port Authority of New York and New Jersey ("the Authority") hereby accepts Guardian Security Services' proposal for Fire Safety Services at the Temporary PATH WTC Station, with a term commencing at 12:01 AM on December 16, 2008 and, unless sooner terminated or revoked by the Port Authority expiring at 11:59 PM on December 15, 2011. The Authority shall have the option to extend the Contract for up to two (2) additional one-year periods and one additional 120 day period.

The Contract between the parties shall consist of the following Items 1 through 6; in case of conflict between any of the Items, the prior listed Item shall take precedence over the later listed Item:

1. This Letter of Acceptance.
2. Guardian Security Services' Best and Final Offer dated October 29, 2008.
3. Guardian Security Services' Response to the Authority's Request for Best and Final Offer (BAFO), Clarifications and Concerns dated October 20, 2008 excluding Best and Final Offer (BAFO) Best and Final Offer (BAFO) - Cost Proposal Form.
4. Guardian Security Services' Response to the Authority's Request for Clarifications dated October 2, 2008 and Guardian's Presentation dated October 3, 2008.



**THE PORT AUTHORITY OF NY & NJ**

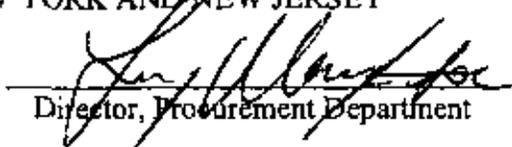
5. Guardian Security Services' Proposal for Fire Safety Director Services at the Temporary PATH World Trade Center Station dated September 10, 2008.
  
6. The Authority's Request for Proposal for Fire Safety Director Services at the Temporary PATH World Trade Center Station, Collective #16333, as amended by Addendum No. 1 dated September 3, 2008.

Except as set forth above, no other documents or submissions by the Contractor are to be considered a part of this Contract.

If you are in agreement with the above, please indicate such agreement by signing at the lower left and returning both signed copies of the letter to the attention of Jeanette Anderson, One Madison Avenue, 7<sup>th</sup> Floor, New York, NY 10010. If you have any questions, Ms. Anderson can be reached at (212) 435-3930.

Sincerely,

THE PORT AUTHORITY OF  
NEW YORK AND NEW JERSEY

BY: 

Director, Procurement Department

Date: 12/12/08

Agreed:

Guardian Security Services, Inc.

By: 

Title: Executive Vice President

Date: December 12, 2008



161 Avenue of the Americas  
New York, New York 10013

Phone: 800.564.9501 Fax: 212.645.4163

October 29, 2008

The Port Authority of NY & NJ  
Jeanette Santos  
One Madison Avenue, 7<sup>th</sup> Floor  
New York, NY 10010

**RE: Request for Proposal (RFP) No. 16333 Fire Safety Services at the Temporary Path  
World Trade Center Station - Updated Best and Final Offer (BAFO)**

Dear Ms. Santos

Please accept this letter and the following pricing sheets as our Best and Final Offer (BASO) for the above reference project.

Again, thank you for considering Guardian Security Services for this assignment. Please contact me with any further questions or additional information you may require.

Sincerely,

  
Sandy Herzfeld  
CEO, Chief Executive Officer



161 Avenue of the Americas  
New York, New York 10013

Phone: 800.584.9601 Fax: 212.645.4163

**Cost Proposal Form  
FIRE SAFETY DIRECTOR SERVICES  
Estimated Items  
First Year**

	<u>Estimated Annual Hours</u>	x	<u>Hourly Charges</u>	=	<u>Estimated First Year Charge</u>
1. Senior Fire Safety Director	2080		<u>\$39.77</u>	=	<u>\$82,721.60 (A)</u>
2. Fire Safety Director	<u>8760</u>	x	<u>\$36.15</u>	=	<u>\$316,674.00 (B)</u>
	<u>Monthly Charge</u>		<u># of Months</u>	=	<u>First Year Charge</u>

**Estimated Annual Contract Charge- First Year = \$399,395.60 (C)**  
**(A) + (B) = (C)**

Please note: No direct reimbursement is provided in the Contract for among other things, uniforms, office supplies, office telephone services, wireless phones, certain training etc., and accordingly the Contractor should consider these costs in determining its hourly charges and Management Fees. Also in computing the hourly charges please refer to the section entitled "Wages and Supplemental benefits".

The qualities set forth in the Cost Proposal Form are estimated only for the purpose of Proposal comparison. The Port Authority makes no representations as to what the actual quantities may be. The Contractor's compensation will be computed based solely on the actual services provided.

PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
SENIOR FIRE SAFETY DIRECTOR

ITEM #1

AVERAGE HOURLY DIRECT WAGES	26.28
NUMBER OF EMPLOYEES	1.00

ITEM #2

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	\$ 0.71	<u>7</u>
VACATION ALLOWANCE	\$ 1.01	<u>10</u>
SICK TIME ALLOWANCE	\$ 0.30	<u>3</u>
PENSION	0.00	
HEALTH	3.31	
WELFARE	0.28	
OTHER SUPPLEMENTAL BENEFITS	0.00	
SPECIFY Training	\$ 0.81	
SUB TOTAL (ITEMS # 1 & 2)	\$ 32.68	sub 1 & 2

ITEM #3

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A.	\$ 2.23
N.Y.S.U.I.	\$ 0.25
F.U.I.	\$ 0.05
WORKERS' COMPENSATION	\$ 0.81
GENERAL LIABILITY INSURANCE	\$ 0.87
DISABILITY INSURANCE	\$ 0.06
OTHER TAXES AND INSURANCE	0.00
SPECIFY	0.00

ITEM #4

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	0.00
UNIFORMS	\$ 0.71
EQUIPMENT	\$ 0.36
MATERIALS	0.00
SUPPLIES	0.00
RELIEF	0.00
ROLL CALL	0.00
OTHER COMPONENTS NOT SPECIFIED ABOVE	0.00
SPECIFY Drug Testing	\$ 0.08

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD AND PROFIT	\$ 1.89
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TOTAL (ITEMS # 1,2,3 & 4)	\$ 39.77
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PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
FIRE SAFETY DIRECTOR

ITEM #1

AVERAGE HOURLY DIRECT WAGES 24.0493  
NUMBER OF EMPLOYEES 4.00

ITEM #2

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	0.60	7
VACATION ALLOWANCE	0.90	10
SICK TIME ALLOWANCE	0.27	3
PENSION	0.00	
HEALTH Please see attached note	3.14	
WELFARE	0.24	
OTHER SUPPLEMENTAL BENEFITS	0.00	
SPECIFY Training	0.69	

SUB TOTAL (ITEMS # 1 & 2) 29.90 sub 1 & 2

ITEM #3

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A.	2.03
N.Y.S.U.I.	0.23
F.U.I.	0.05
WORKERS' COMPENSATION	0.56
GENERAL LIABILITY INSURANCE	0.79
DISABILITY INSURANCE	0.06
OTHER TAXES AND INSURANCE	0.00
SPECIFY	0.00

ITEM #4

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	0.00
UNIFORMS	0.67
EQUIPMENT	0.09
MATERIALS	0.00
SUPPLIES	0.00
RELIEF	0.00
ROLL CALL	0.00
OTHER COMPONENTS NOT SPECIFIED ABOVE	0.00
SPECIFY Drug Testing	0.06

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT 1.73

TOTAL (ITEMS # 1,2,3 & 4) 38.15



161 Avenue of the Americas  
New York, New York 10013

Phone: 800-564-9501 Fax: 212-645-4163

October 20, 2008

Larry Waxman  
Manager  
Technology and Operational  
Procurement Division  
One Madison Avenue, 7<sup>th</sup> Floor  
New York, NY 10013

10-20-08PG2:17 RCVD

Re; Request for Proposals (RFP) No. 16333 Fire Safety Services at the Temporary Path World Trade Center Station- Best and Final Offer (BAFO), Clarifications and Concerns

Dear Mr. Waxman;

Thank you for considering Guardian Security Services (GSS) for this assignment. As requested in your letter dated October 14, 2008, we have provided responses to each of your questions noted below. Additionally, we have provided Pricing Exhibits reflecting our Best and Final Offer for this project.

Below are each of the questions with the corresponding answers.

1. *With regard to your proposal for the subject services, please find attached the revised Wages, Health and Supplemental Benefits section, which includes a Minimum Hourly Wage for each position. Please confirm that your full time employees receive not less than Health benefits in each category listed in Section D, of the Wage, Health and Supplemental Benefits attached.*

**Answer:** Our newly submitted best and final pricing provides for each of the FSD employees to be integrated into Local 32BJ and to receive the wage, health and supplemental benefits contained in the 32BJ CBA (Collective Bargaining Agreement). These benefits meet or exceed each category listed in Section D of the Wage, Health and Supplemental Benefits attachment.

2. *Should your Firm be awarded this Contract, what is your intent, if any, in hiring the personnel currently hired under the contract?*

**Answer:** It is Guardians Intent to offer all of the existing contractor's employees the ability to apply for the same position with Guardian. Each of these employees will be background checked and will be required to meet Guardian's criteria appropriate to the position.

3. *As part of your wage and supplemental benefits plan, please elaborate on how you will handle the "grandfathering" of employees should your firm be awarded this Contract.*

Specifically, address the issue of employees with accumulated vacation days, sick days, etc...

**Answer:** All hired/transitioned employees from the existing contractor will receive from Guardian at no additional cost to the Port Authority their accumulated vacation days, sick days and any other accumulated benefits.

4. Please explain why the Fire Safety Director average hourly direct wages is higher than the minimum direct wage of \$23.49 as outlined in Section 10, Subsection C in the RFP document?

Based on Guardian Security Services proposed wage and benefits breakdown sheet, your firm may not be allocating sufficient amount on monies for the Fire Safety Director supplemental benefits based upon the number of days allocated for holiday, vacation and sick. Guardian Security Services proposed .23 cents for holiday, .43 cents for vacation, and .26 cents for sick. It appears to the Port Authority you may have undervalued the components of cost based upon your proposed direct wage for these three supplemental benefits. Most notably in the item regarding holiday cost. You are also directed to revisit your allocations for the Senior Fire Safety Director hourly direct wage proposed specifically for holiday, which you allocated .35 cents. It appears to the Port Authority you may have undervalued the components of cost for holiday supplemental benefits. When your internal re-evaluation is complete, fill out the attached Exhibit II, pages 30, 33 and 34.

**Answer:** As suggested in the above noted question, Guardian has re-visited all of the pricing components for each position on this project. Our re-submitted attachment, Exhibit II pages 30, 33 and 34 reflect the Local 32BJ Cost and Benefit Structure.

Additionally, the average hourly direct wage for the Fire Safety Director Position reflects accurately the "average". This is due to the proper staffing of the project requiring one Fire Safety Director to work 48 hours per week. Please see question 5 for further detail of this response.

5. In your Exhibit B Schedule dated October 2, 2008, you have personnel working a 48-hour workweek. Based upon that submittal that includes 8 hours overtime.

Note: The Port Authority under those conditions will not pay for overtime, if billed see Section 12, Paragraph B, sub-paragraph C for conditions that allow overtime. Please revisit your staffing schedule accordingly. This may affect your overall cost to the Port Authority.

**Answer:** GSS believes the most efficient and practical solution to the project staffing is to provide for One (1) Fire Safety Director to work a 48 hour workweek. Traditionally, it has not been possible to provide for part-time FSD's with any level of success. Our costs reflected in the "average" hourly direct wages blends the cost for the eight hours of overtime. GSS understands that the Port Authority will not pay overtime unless directed so under Section 12, Paragraph B, sub-paragraph C of the contract.



161 Avenue of the Americas, New York, NY 10013

Phone: 800-564-9501 Fax: 212-645-4163

6. Should your firm be awarded this contract, if there is a pre-existing labor organization operating under the current contract, and your company proposes to bring in a different labor organization, how do you propose to successfully accomplish this and yet maintain labor harmony as detailed in Section 9 of the Standard Contract Terms and Conditions, Part II General Provisions, entitled "Harmony" and Page 4, Section 1 entitled "Union Jurisdiction".

**Answer:** Guardian understands the pre-existing labor organization agreement and has contacted Local 32BJ regarding the successful transition of the existing employees into Local 32BJ. Guardian agrees and will comply with Section 9 of the Standard Contract Terms and Conditions and all parts thereof related to "Harmony". We can assure the Port Authority that Local 32BJ has successfully integrated employees from this and other Locals in similar circumstances.

7. Please offer to the Port Authority a revised Cost Proposal that doesn't comprise the level of service required and or proposed under this contract.

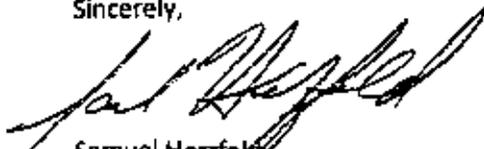
**Answer:** Our newly submitted cost attachments fully reflect our best and final offer and will not compromise the level of service required and/or proposed on this contract.

8. Confirm your understanding that, regardless of any agreement you enter into with a labor organization claiming jurisdiction over the work in this Contract, sole compensation will be limited to the amounts agreed to by your firm and the Port Authority upon award of this contract, subject to the escalation provisions set forth in the contract for the base period and any option period(s) exercised under this contract.

**Answer:** This confirms Guardians understanding that compensation for this project will be limited to amounts agreed to by Guardian and the Port Authority upon contract award. There will be no additional escalation provisions for the base period and any options that are not set forth in the contract.

GSS can assure the Port Authority that should we be the selected vendor, we will provide a seamless transition with no labor or service disruptions. Again, we would like to thank you for this opportunity. Please contact me with any questions, concerns or additional information you may require.

Sincerely,



Samuel Herzfeld

CEO

Guardian Service Industries Inc.



161 Avenue of the Americas, New York, NY 10013

Phone: 800-564-9501 Fax: 212-645-4163

**Cost Proposal Form**  
**FIRE SAFETY DIRECTOR SERVICES**  
**Estimated Items**  
**First Year**

	<u>Estimated Annual Hours</u>		<u>Hourly Charges</u>		<u>Estimated First Year Charge</u>
1. Senior Fire Safety (A) Director	<u>2080</u>	x	<u>\$40.14</u>	=	<u>\$83,491.20</u>
2. Fire Safety Director	<u>8760</u>	x	<u>\$36.50</u>	=	<u>\$ 319,740.00 (B)</u>
	<u>Monthly Charge</u>		<u># of Months</u>	=	<u>First Year Charge</u>
3. Management Fee	N/A		N/A		N/A

**Estimated Annual Contract Charge- First Year = \$403,231.20 (D)**  
**(A) + (B) + (C) = (D)**

Please note: No direct reimbursement is provided in the Contract for among other things, uniforms, office supplies, office telephone services, wireless phones, certain training etc., and accordingly the Contractor should consider these costs in determining its hourly charges and Management Fees. Also in computing the hourly charges please refer to the section entitled "Wages and Supplemental benefits".

The qualities set forth in the Cost Proposal Form are estimated only for the purpose of Proposal comparison. The Port Authority makes no representations as to what the actual quantities may be. The Contractor's compensation will be computed based solely on the actual services provided.

PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
SENIOR FIRE SAFETY DIRECTOR

**ITEM #1**

AVERAGE HOURLY DIRECT WAGES 26.28  
NUMBER OF EMPLOYEES 1

**ITEM #2**

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	\$ 0.71	7
VACATION ALLOWANCE	\$ 1.01	10
SICK TIME ALLOWANCE	\$ 0.30	3
PENSION	0.00	
HEALTH Please see attached note	3.31	
WELFARE	0.26	
OTHER SUPPLEMENTAL BENEFITS	0.00	
SPECIFY Training	\$ 0.81	
<b>SUB TOTAL (ITEMS # 1 &amp; 2)</b>	<b>\$ 32.68</b>	<b>sub 1 &amp; 2</b>

**ITEM #3**

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A.	\$ 2.23
N.Y.S.U.I.	\$ 0.25
F.U.I.	\$ 0.05
WORKERS' COMPENSATION	\$ 0.51
GENERAL LIABILITY INSURANCE	\$ 0.87
DISABILITY INSURANCE	\$ 0.08
OTHER TAXES AND INSURANCE	0.00
SPECIFY	0.00

**ITEM #4**

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	0.00
UNIFORMS	\$ 0.71
EQUIPMENT	\$ 0.34
MATERIALS	0.00
SUPPLIES	0.00
RELIEF	0.00
ROLL CALL	0.00
OTHER COMPONENTS NOT SPECIFIED ABOVE	0.00
SPECIFY Drug Testing	\$ 0.08

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT \$ 2.27

TOTAL (ITEMS # 1,2,3 & 4) \$ 40.14



**Request for Proposals (RFP) No. 16333**

**Fire Safety Services at the Temporary Path World Trade  
Center Station**

**Due Date: Thursday, October 2, 2008 @ 2:00pm**



PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
SENIOR FIRE SAFETY DIRECTOR

ITEM #1

AVERAGE HOURLY DIRECT WAGES	26.28
NUMBER OF EMPLOYEES	1

ITEM #2

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

		NUMBER OF DAYS PROVIDED
HOLIDAY ALLOWANCE	\$ 0.71	<u>7</u>
VACATION ALLOWANCE	\$ 1.01	<u>10</u>
SICK TIME ALLOWANCE	\$ 0.30	<u>3</u>
PENSION	0.00	
HEALTH Please see attached note	3.31	
WELFARE	0.28	
OTHER SUPPLEMENTAL BENEFITS	0.00	
SPECIFY Training	\$ 0.81	
 SUB TOTAL (ITEMS # 1 & 2)	 \$ 32.68	 sub 1 & 2

ITEM #3

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A.	\$ 2.23
N.Y.S.U.I.	\$ 0.25
F.U.I.	\$ 0.05
WORKERS' COMPENSATION	\$ 0.81
GENERAL LIABILITY INSURANCE	\$ 0.87
DISABILITY INSURANCE	\$ 0.08
OTHER TAXES AND INSURANCE	0.00
SPECIFY	0.00

ITEM #4

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	0.00
UNIFORMS	\$ 0.71
EQUIPMENT	\$ 0.36
MATERIALS	0.00
SUPPLIES	0.00
RELIEF	0.00
ROLL CALL	0.00
OTHER COMPONENTS NOT SPECIFIED ABOVE	0.00
SPECIFY Drug Testing	\$ 0.06

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD AND PROFIT	\$ 2.27
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TOTAL (ITEMS # 1,2,3 & 4)	\$ 40.14
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## Questionnaire Response

### RE: Request for Proposal (RFP) NO. 1633, Fire Safety Services at the Temporary Path World Trade Center Station

Guardian Security Services (GSS) is please to submit our responses to your questionnaire dated September 29, 2008. We have provided below your questions followed by our response along with additional exhibits required for clarification of our answers.

1. **M/WBE Subcontracting Provision:**

Your Request for a waiver on the M/WBE section was not accepted. Please provide a detailed M/WBE Plan as outlined in Section 5, Page 7 of the RFP. Include the name of the subcontractor, contact name, scope of work, and estimated subcontractor dollar amount for each proposed subcontractor.

*Guardian Security Services have established a Port Authority approved Minority Business Enterprise to provide uniform apparel for this project. We have provided in Exhibit A - PANYNJ Form 3749B. All other components of this project are strictly labor and management oversight and therefore will not be subcontracted.*

2. **Management Plan**

**In your staffing plan, clarify the number of staff that will be dedicated to on-site, remote support and shared between other client accounts including percentage of full time and part time employees.**

*GSS will employ five full-time positions at the project site. In addition, we have provided for an account management executive to oversee all operational needs. This individual, Mr. Steve Nelson is a full-time employee and will dedicate 10% of his overall time to this account. Moreover, Steve we will provide a one-time visit by a field supervisor per shift. These supervisors are full-time employees and will provide approximately 5 - 7% of their time to this project.*

3. **Your proposal proposed for four (4) staff employees for the WTC Fire Safety Director. How do you propose to do this coverage with only four people? How will coverage be handled for vacation, sick and holidays?**

*GSS has allocated for a total of five Fire Safety Professionals for the Temporary Path Site. Of the five, we have designated a Senior Fire Safety Director that will be our Account Manager.*



*In addition, we have provided an attachment; Exhibit B to reflect how we will break down the individuals and hours to effectively operate our daily operation and cover for Holiday's, sick and vacations.*

**4. Cost Proposal**

**Please provide a breakdown of the costs associated with your monthly management fee. In addition, include the assumptions used to derive items that cost \$3786.00 in your monthly management fee.**

*a. GSS monthly management fee for this project is \$3,085.30 per month. The following are the items included in this fee:*

<i>Uniform Purchase.....</i>	<i>\$406.25/per month</i>
<i>Uniform Cleaning.....</i>	<i>\$541.66/per month</i>
<i>Nextel.....</i>	<i>\$125.00/per month</i>
<i>Drug Testing.....</i>	<i>\$52.08/per month</i>
<i>Overhead.....</i>	<i>\$763.16/per month</i>
<i>Profit.....</i>	<i>\$1197.15/per month</i>

*b. The number identified as healthcare number on the last page of our pricing proposal in the amount of \$3,786.00, is a Guardian direct cost for each employee's single annual healthcare coverage. This particular cost is not attributed to the management fee bid, since the employees utilized on this project are retired FDNY and receives coverage in their retirement benefits package.*

**5. Please provide a breakdown of the costs associated with your supplemental benefits and your Administrative Cost, Overhead and profit.**

*The following are the cost breakdowns:*

- A. Senior Fire Safety Director*
  - \$0.48/per hour Overhead*
  - \$.64/per hour Profit*
- B. Fire Safety Director*
  - \$0.44/per hour Overhead*
  - \$0.58/per hour Profit*

**6. What are the health benefits provided to the employees? Please provide documentation.**

*GSS offers every employee a contributory Health Plan through HIP Health Plans of New York. HIP offers a network of close to 27,000 doctors in more than 43,000 locations, including doctors in private practices. Our co pay is \$20.00 per doctor's visit and \$50.00 for*



*emergency room. Hip offers a no lifetime maximum of benefits and access to their multi tiered wellness programs.*

**Terms & Conditions**

7. **Confirm that your company fully agrees with the terms, conditions and provisions as stipulated in the subject RFP document. Proposed exceptions, should there be any, must be fully explained.**

*GSS "CONFIRMS" that we fully agree with the terms, conditions and provisions as stipulated in the RFP document.*

8. **Confirm that, should your company be awarded this contract, you will comply with the requirements in Section 9 of the Standard Contract Terms and Conditions, Part II General Provisions, entitled "Harmony".**

*GSS "Confirms" that should we be awarded this contract that we will comply with all of the requirements in Section 9 of the Standard Contract Terms and Conditions.*



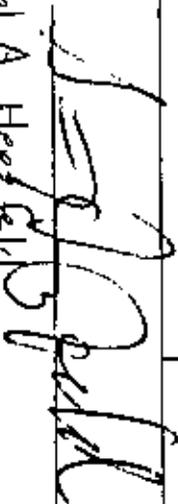
# Exhibit A

**Office of Business and Job Opportunity**  
 NOTE: The Preparer/Bidder shall submit to the Manager, Infrastructure Dept. Form PA 3749 C MODIFIED PLAN for any changes to the original plan. (i.e.; subcontractor, dollar amount or work performed.  
 If more than 1 page is used, complete tables on last page.

Purchase Order #: \_\_\_\_\_  
 Preparer/Bidder Name: Guadon Security Services  
 Mailing Address: 1101 Avenue of the Americas, NY, NY  
 Telephone Number: (212) 645-9500

Contract Amount: \_\_\_\_\_  
 Contract Description: Security Uniforms  
 Contract Goals: MBE X WBE \_\_\_\_\_

Name, Address, Phone Number of PA Certified M/WBE subcontractor (including name of contact person)	Indicate MBE or WBE	Description of Work, Services to be provided Where applicable, specify, "supply" or "install" or both "supply" and "install."	Anticipated date work will start and finish	Approximate \$ amount of M/WBE Subcontract	M/WBE % of Total Contract Amount
A Beautiful Clothing Company Inc. 470 7th Avenue Suite 402 New York NY 10018 Attn: Mr Rick Bacchus (212) 239-4626	MBE	Provide Security Uniform apparel.	SD-12/1/08 ED-12/1/09	\$4875 <sup>00</sup>	
<b>TOTAL:</b>				<b>4875<sup>00</sup></b>	

Signature of Contractor:   
 Print Name: Samuel A Heffelfeld  
 Title: Chief Executive Officer Date \_\_\_\_\_

**FOR OBJO USE ONLY**  
 Contract Goals:  Approved  Waived  Rejected  
 Reviewed by: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 OBJO Business Development Representative  
 Date \_\_\_\_\_

**Details Report**

Name: A Beautiful Clothing Company Inc. Phone: 212-239-4626  
 Last Known as - Fax: 212-239-0773  
 Address: 470 Seventh Avenue County: New York  
 Suite 402 Contact Person: Rick Bacchus  
 New York, NY 10018 Email: RickBacchusABC@aol.com

Certification(s): MBE

**Specialties**

Work Type	Specialty ID/ Bid Class	Description	Range
Goods and Services	02000000	CLOTHING, ATHLETIC, CASUAL, DRESS, UNIFORM, WEATHER RELATED, WORK	-
	02001000	Athletic Clothing	-
	02001900	Disposable Clothing (See Class 475 for Hospital Type)	-
	02002500	Dresses, Skirts, Blouses	-
	02002800	Formal Clothing (Tuxedos, Formal Gowns, etc )	-
	02003200	Hospital Wear, Patient	-
	02003400	Hospital Wear, Professional	-
	02004400	Pants, Slacks, Trousers, Shorts, Jeans, etc.	-
	02004900	Prisoner Clothing	-
	02007000	Shirts, Dress and Casual	-
	02007600	Suits, Dress and Casual	-
	02008500	Uniforms, Blended Fabric	-
	02008600	Uniforms, Cotton	-
	02008700	Uniforms, Synthetic Fabric	-
02008800	Uniforms, Wool and Woolen Blends	-	
02009200	Work Clothes	-	

**Important Information Provided by Company**

We manufacture men's and women's apparel and uniforms for hotels, casinos, restaurants, etc.

**Other Contracts**

Year	Contract	Prime Or Sub	Agency Firm	Type	Amount	Contact	Phone
2003	UNIFORMS	P	Bellagio Hotel	Uniforms	\$317,000	Marian	702-693-7451
2003	UNIFORMS	P	Beau Rivage	Uniforms	\$70,000	Tammy	228-386-7087
2003	UNIFORMS	P	Venetian	Uniforms	\$80,000	Donna	702-414-4162
2003	UNIFORMS	P	Golden Nugget	Uniforms	\$80,000	Diane Smith	702-385-7177

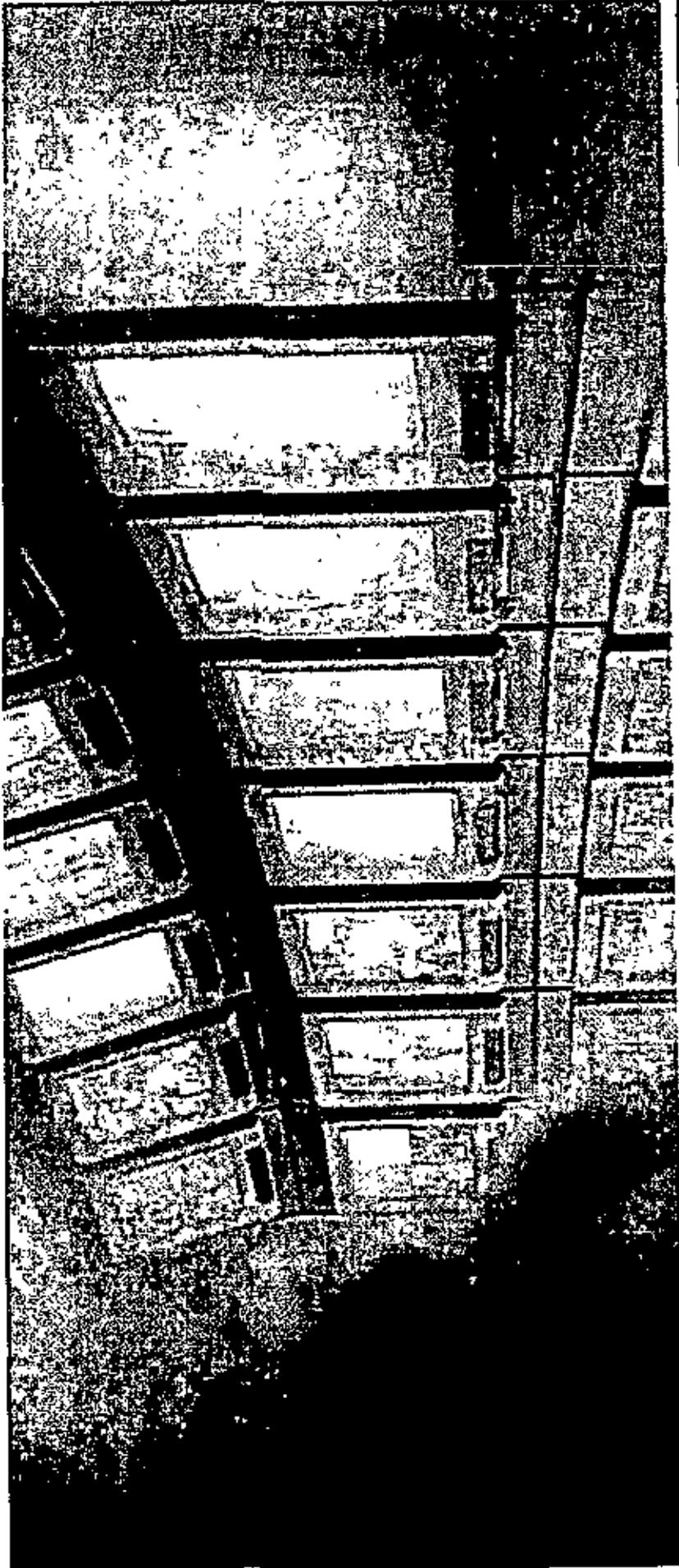
**Other Information**

Ownership: Corporation Established: 12/18/2002  
 Labor: Non-Union Union Local: N/A  
 Full Time (Office): 3 Full Time (Field): N/A  
 Contract Size: \$10,000 to \$5,000,000 Annual Capacity: \$100,000,000  
 Bonding Company: N/A  
 Single Limit: N/A Aggregate: N/A



# Exhibit B





# Security Presentation

To:



THE PORT AUTHORITY OF NY & NJ

# Objectives



1 Introduction

2 Solution Offering

3 Our Mission

4 Retention Program

5 Retention Program

6 Retention Program

# Our Solution Offerings



- ◆ Proven and Committed Management Team and Corporate Resources
- ◆ Real Time Reporting
- ◆ Dedicated Recruitment Team
- ◆ Seamless Transition
- ◆ Strategic Planning
- ◆ Accountability and Communication
- ◆ Safety and Security
- ◆ Work Order and Invoicing Management
- ◆ Clear Understanding of Site Sensitivity
- ◆ CPR Certification





# About Us

- ◆ **Guardian Service Industries - Family Owned and Operated Since 1918**
- ◆ **Security Division Established in 1973**
- ◆ **Extensive Regional Resources**
- ◆ **Scalable Processes and Service Model**
- ◆ **Over 100 Clients**
- ◆ **Serving Major Property Facilities in NY Metropolitan Area**
- ◆ **Industry Leader of Value Added Services**



# Operating Mission & Objectives



RECRUIT + TRAIN + RETAIN + PROVIDE + TRAIN + RETAIN + PROVIDE + RECRUIT + TRAIN + RETAIN + PROVIDE



◆ RECRUIT the Best Talent for the Job

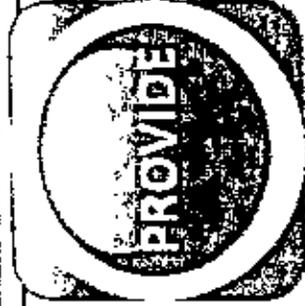
◆ Provide Comprehensive TRAINING and Support



◆ RETAIN Team with Excellent Wages & Benefits



◆ PROVIDE our Customers with 24/7/365 Accountability & Access to all Supervisory Staff



# Recruiting



Recruit

In-House Talent Recruiter On Staff

Background  
Check

Extensive Screening/ Drug Testing & Evaluation

Media

Use of all Major Print, Media and Web Resources

# Training

## “The Defining Difference”



### Security Training Courses

➤ All of our officers have successfully completed the following

#### Training Courses:

- ◆ New York State 8 Hour Pre-Assignment Training course:
  - This security training course includes learning and understanding the role of the security guard, legal powers and limitations, emergencies, communications, ethics, access control and report writing.
- ◆ New York State 16 Hour On the Job Training Course (OJT):
  - This security training program is relevant to the guard's duties, requirements of the work site, and the needs of the employer.
- ◆ 8 Hour Annual In-Service Course:
  - This security training program is focuses on meeting current training needs and refreshes or updates guards about any changes in the security field.

# Additional Training



## **Certifications:**

- New York State Fire Guard Certification
- New York State Fire Safety Directors Certification

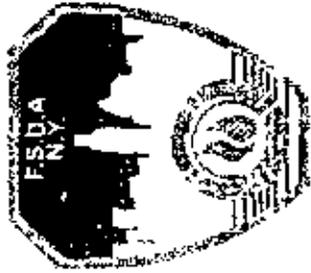
## **Specialized Training:**

- American Red Cross CPR Training
- First Aid Policies and Procedures
- Response and Evacuation Methods
- 8 Hour Annual In-Service Course

## **Courses and Seminars:**

**Note:** These courses are offered to our Security Personnel in order to provide education and awareness in the following areas:

- ◆ Conflict Resolution
- ◆ Human Relations
- ◆ Sexual Harassment
- ◆ Stress Management
- ◆ Substance Abuse



# Guard Retention Program



## Benefits

Health Plan  
Offered through  
Major Insurance  
Provider

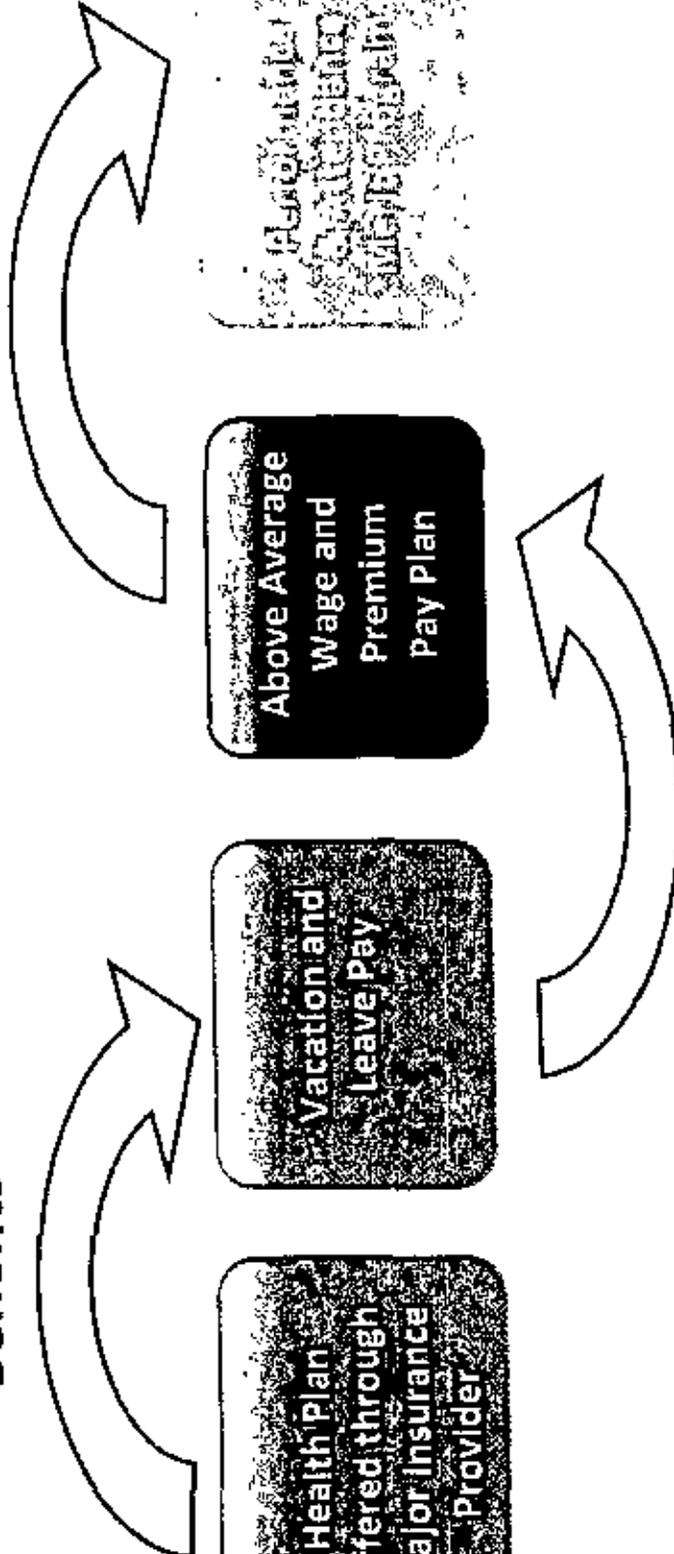
Vacation and  
Leave Pay

Above Average  
Wage and  
Premium  
Pay Plan

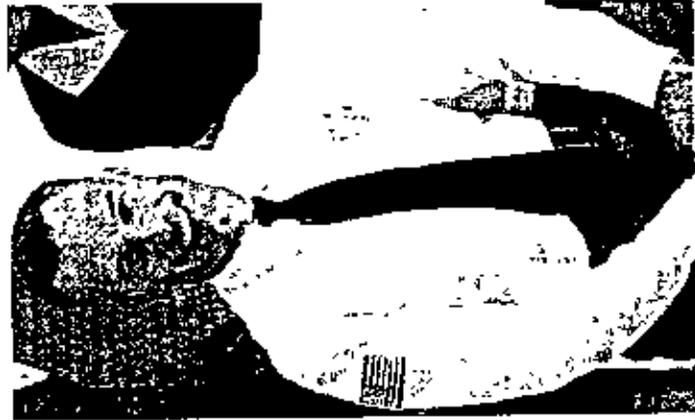
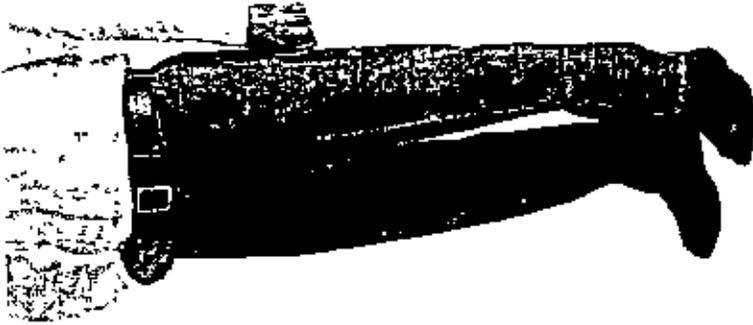
## Incentives

Performance  
Based Incentives  
and Bonuses

## Rewards

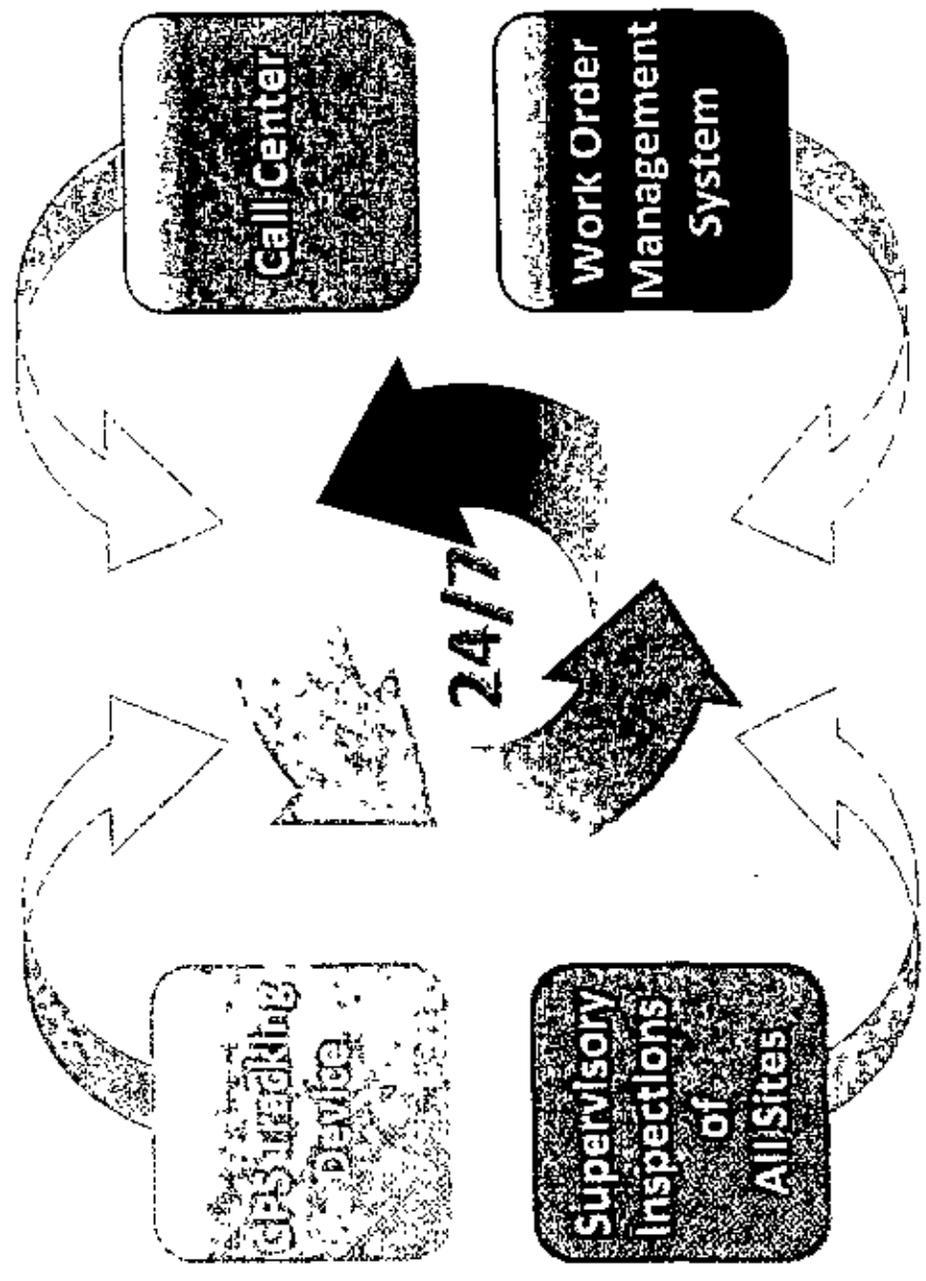


# Suggested Uniform Program





# Accountability



# Business & Financial Resources



- ▶ **Guardian Service Industries' Key Facts:**
  - ◆ **Family Owned and Operated Since 1918**
  - ◆ **110 Million Dollars in Annual Revenue**
  - ◆ **Over 2,000 Employees**
  - ◆ **Serving New York, New Jersey and Connecticut**
  - ◆ **Our Customers Include the Most Well-Respected Public and Private Organizations in the Tri-State Area.**

# Why Guardian?



- ◆ Commitment and Committed Ownership & Management
- ◆ Utilization of Technology
- ◆ Recruiting and Retention
- ◆ Superior Training
- ◆ Major Resources
- ◆ Scalable Model
- ◆ Subject Matter Expertise
- ◆ Unique "Outside the Box" Thinking
- ◆ Problem Solvers
- ◆ Extensive HR Recruitment Team





Thank You!

From Guardian Security Services





## TABLE OF CONTENTS

	Section Number
<b>Letter of Transmittal</b>	<b>A</b>
<b>Executive Summary</b>	<b>B</b>
<b>Agreement on Terms of Discussion</b>	<b>C</b>
<b>Certification with Respect to Provisions</b>	<b>D</b>
<b>Documentation of Proposer Prerequisites</b>	<b>E</b>
<b>Proposal</b>	<b>F</b>
<b>Proposer's Overall Experience</b>	<b>1</b>
<b>Cost Proposal Form</b>	<b>2</b>
<b>Management &amp; Customer Service Plan</b>	<b>3</b>
<b>Wage &amp; Supplemental Benefits Plan</b>	<b>4</b>
<b>Contractors Audit Program</b>	<b>5</b>
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<b>Acknowledgement of Addenda</b>	<b>G</b>
<b>Acceptance of Terms &amp; Conditions</b>	<b>H</b>
<b>M/WBE Plan</b>	<b>I</b>



## **SECTION A**

# **LETTER OF TRANSMITTAL**



**GUARDIAN**

COMPLETE SECURITY SERVICES

161 Avenue of the Americas  
New York, New York 10013

Phone: 212-645-9500 Fax: 212-645-4163

September 10, 2008

Ms. Jeanette Santos  
Buyer  
Priority Procurements Division  
The Port Authority NY & NJ  
One Madison Avenue, 7<sup>th</sup> FL  
New York, NY 10010

**Subject: Fire Safety Director Services at the Temporary PATH World Trade Center Station**

**Bid No: 16333**

Dear Ms. Santos:

Guardian Security Services, Inc. (GSS) is submitting a proposal to provide all of the services in response to the RFP documents and corresponding addendums. This letter should be accepted as our statement that we will be proposing all services as a single entity.

GSS is thoroughly capable and has provided the Port Authority of New York & New Jersey (PANYNJ) with extensive information on our firm's experience and qualifications in meeting the RFP's requirements. GSS takes a detailed, proactive, professional and environmentally conscious approach with every solution. We customize each assignment to meet your specific needs. We have a history of demonstrated customer

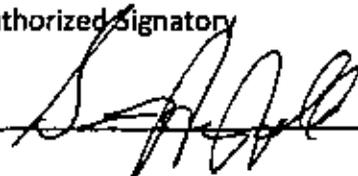
satisfaction, quality and value. We currently serve over 6000 customers with 60 million square feet throughout the Tri-State area.

**1. Proposer**

Guardian Security Services, Inc.  
161 Avenue of the Americas  
New York, NY 10013

Authorized Signatory

X

A handwritten signature in black ink, appearing to read 'S. Herzfeld', is written over a solid horizontal line.

Samuel Herzfeld  
CEO

**2. Authorized Negotiators and Executors**

Samuel Herzfeld, CEO:

Direct Dial: 646-442-8989

Alan Bressler, COO:

Direct Dial: 646-442-8955

Richard Lifrieri, Executive Vice President of GSS

Direct Dial: 646-442-8964

**3. Contact Person**

Michael Eisenberg, Vice President of Business Development:

Direct Dial: 646-442-8982

Richard Lifrieri, Executive Vice President of GSS

Direct Dial: 646-442-8964

**4. Subcontractors**

GSS will not be using contractors for the purposes of this contract.

**5. Statement of Incorporation**

Company Officers:

Harold Bressler, Chairman (Ex. 1)

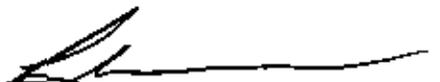
Samuel Herzfeld, CEO

Alan Bressler, COO/Secretary.

Certificate of Incorporation – Please see appendix A

Statement:

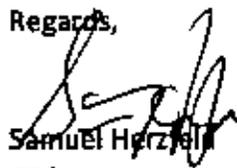
I, Samuel Herzfeld  certify that the attached copy of the certificate of incorporation (exhibit C) is a true copy and is valid as of July 31, 2006.



Alan Bressler, Secretary

Thank you for your time to review this information. We look forward to taking the next step in this process and are certain that we can handle all The Port Authority of NY & NJ's Fire Safety needs.

Regards,



Samuel Herzfeld  
CEO

Guardian Service Industries, Inc.

State of New York  
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of GUARDIAN SERVICE INDUSTRIES, INC. was filed on 12/10/1976, under the name of GUARDIAN CLEANING INDUSTRIES, INC., with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Merger was filed on 07/26/1977.

A certificate changing name to GUARDIAN SERVICE INDUSTRIES, INC. was filed on 07/18/1985.

A Biennial Statement was filed 04/13/1995.

A Biennial Statement was filed 03/13/1999.

A Biennial Statement was filed 12/28/2000.

A Biennial Statement was filed 11/27/2002.

A Biennial Statement was filed 08/04/2006.

I further certify, that no other documents have been filed by such Corporation.



\*\*\*

Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 05th day of October  
two thousand and six.

Daniel Shapiro  
Special Deputy Secretary of State

11000000824

State of Florida  
Department of State  
BUREAU OF LICENSING SERVICES

RECEIVED  
JUL 17 2008

ARTICLE 7 OF THE GENERAL BUSINESS LAW  
AND AMENDMENTS THEREIN

GUARDIAN SECURITY SERVICES INC  
161 AVENUE OF THE AMERICAS 4TH FL  
NEW YORK NY 10013

ISSUE DATE  
07 17 2008

EXPIRES DATE  
07 16 2008

HAS BEEN DULY LICENSED TO TRANSACT BUSINESS AS A

**WATCH, GUARD OR PATROL AGENCY**

FOR THE TERM OF TWO YEARS FROM DATE HEREOF, TO BE REPRESENTED,  
AS PRINCIPAL, BY THE QUALIFIED MEMBER(S) NAMED BELOW:

SAMUEL HERZFELD - PRES

CHRISTOPHER L JACOBS  
SECRETARY OF STATE

08-10-14

# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
02/07/2008

**INSURED**  
International Northeast Limited  
7 Commerce Drive,  
Meriden, CT 06425  
  
Guardian Security Services, Inc.  
161 Avenue of the Americas  
New York, NY 10013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**

INSURER A: Arch Insurance Co.  
INSURER B: Allstate Insurance Company  
INSURER C: Zurich Insurance Company  
INSURER D: State Fund of New York  
INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Broad Form cont. GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	BSPKGO134801	07/25/2007	07/25/2008	EACH OCCURRENCE \$ 1,000,000 PER DAMAGE (Any one trial) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COM/PROP AGG \$ 1,000,000
<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	048710933EAP	02/13/2008	02/13/2009	COMBINED SINGLE LIMIT (EA accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
<b>EXCESS LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	BSPKGO134901	07/25/2007	07/25/2008	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
<b>D WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>	Serviced by State Fund of NY Evidence only.	01/01/2008	01/01/2009	<input checked="" type="checkbox"/> WC STAT-TORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
<b>C OTHER Fidelity Bond</b>	FID361134201	01/07/2008	01/07/2009	Limit \$100,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 Certificate issued as evidence of insurance coverages only

<b>CERTIFICATE HOLDER</b> Guardian Security	<b>ADDITIONAL INSURED: INSURER LETTER:</b>	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE Hub International Northeast Limited
--	--	--

For Office Use Only

EFFECTIVE DATE

EXPIRATION DATE

\_\_\_\_\_

\_\_\_\_\_

**RENEWAL APPLICATION FOR:**

Private Investigator • Bail Enforcement Agent • Watch, Guard or Patrol Agency

Licensee's Name, Address and Current Expiration Date: (If the information below is incorrect, please make the necessary changes in the spaces provided)

Guardian Security Services Inc.  
161 Avenue of the Americas  
4th Floor  
New York, NY 10013

**Part A**

Daytime Phone Number: 212 645-9500

LICENSING SERVICES  
JUN 30 2008

\$400.00

FEE DUE

**PRINT ANY CHANGES IN INK IN THIS AREA**

NEW BUSINESS NAME			
NEW BUSINESS STREET ADDRESS			
NEW BUSINESS CITY	STATE	ZIP CODE	COUNTY

1) Yes  No  Since your last application, have you or any of the officers or principals of this firm (if any) been convicted of a crime or offense (not minor traffic violation), in this state or elsewhere or has any license, permit, commission, registration or application for a license, permit, commission or registration held by or submitted by you or a company in which you are or were a principal been revoked, suspended, or denied by any state, territory or governmental jurisdiction or foreign country for any reason? (If yes, enclosed details.)

2) In the chart below, please provide the following information:

- If the applicant is a partnership, give the name and residence of each partner.
- If a corporation, give the name and residence of the president, vice president, secretary and treasurer and all other officers and directors. Specify those officers and directors who will work for the corporation in the State of New York. Attach a list of all other officers and directors, including all persons owning directly or indirectly 10 percent or more of the capital stock of the corporation.

NAME	RESIDENCE	TITLE OF OFFICE
SANDY Herzfeld	(Ex. 1)	CEO/PRES.
ALAN BRESSLER	(Ex. 1)	COO



## Financial Information

GSS is pleased to present our certified financial statements, including all applicable noted, assets, liabilities, net worth, revenues, expenses, profit and loss and cash flow as specified in the RFP. We have included below all required financial information.

### As required in your Financial Information Section:

1) Federal Tax ID # 13-2777056

2) Banking Institutions:

Capital One Bank  
2460 Broadway, NY NY  
Phone: 212-712-1560  
Contact: Martha Diaz



3) Chief Financial Officer:

Allen Fredericks, CFO  
Direct: 646-442-1019

4) Dunn & Bradstreet Number:

Dunns# 09-750-5754

# McGladrey & Pullen

Certified Public Accountants

## **Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

Combined Financial Report  
(Reviewed)

June 30, 2007

# McGladrey & Pullen

Certified Public Accountants

## Independent Accountant's Report

To the Board of Directors  
Guardian Services Industries, Inc. and Guardian Security Services, Inc.  
New York, New York

We have reviewed the accompanying combined balance sheets of Guardian Service Industries, Inc. and Guardian Security Services, Inc. (collectively, the "Companies") as of June 30, 2007 and 2006, and the related combined statements of operations, retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Companies.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

New York, New York  
November 26, 2007

Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.

Combined Balance Sheets  
June 30, 2007 and 2006  
See Accountant's Report

	2007	2006
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 233,175	\$ 356,275
Receivables:		
Trade, less allowance for doubtful accounts of \$391,440 and \$300,771	13,600,590	9,879,186
Other	103,541	81,471
Prepaid expenses	818,220	778,514
<b>Total current assets</b>	<b>14,755,526</b>	<b>11,095,446</b>
Property and Equipment, at cost less accumulated depreciation and amortization	979,720	359,606
Other Assets:		
Other receivables	100,449	233,551
Cash surrender value of life insurance	272,745	230,739
Security deposits and other	74,531	66,389
<b>Total other assets</b>	<b>447,725</b>	<b>530,679</b>
	<b>\$ 16,182,971</b>	<b>\$11,985,931</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Line of credit	\$ 5,258,954	\$ 4,306,657
Accounts payable	4,168,398	1,177,834
Union settlement obligation	-	286,174
Current maturities of long-term debt	94,434	-
Accrued expenses and other current liabilities	5,205,557	3,746,687
Due to related parties	262,873	247,157
Income taxes payable	5,645	65,152
Deferred income taxes	248,500	424,600
<b>Total current liabilities</b>	<b>15,244,361</b>	<b>10,254,261</b>
Long-Term Debt	270,985	-
Due to Former Stockholder	106,675	123,675
Deferred Rent Credit	149,125	109,453
Stockholders' Equity:		
Common stock	30,000	30,000
Retained earnings	1,677,604	2,332,491
Treasury Stock	(310,690)	-
Less: Due from stockholders	(985,089)	(863,949)
<b>Total stockholders' equity</b>	<b>411,825</b>	<b>1,498,542</b>
	<b>\$ 16,182,971</b>	<b>\$11,985,931</b>

See notes to combined financial statements.

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combined Statements of Operations  
Years Ended June 30, 2007 and 2006  
See Accountant's Report**

	2007	2006
Net Sales	<b>\$ 85,012,732</b>	<b>\$ 67,854,335</b>
Cost of Sales	<u>76,893,224</u>	<u>60,030,794</u>
<b>Gross profit</b>	<b>8,119,508</b>	<b>7,823,541</b>
Selling, General and Administrative Expenses	<u>8,253,008</u>	<u>6,245,812</u>
<b>(Loss) income from operations</b>	<u><b>(133,498)</b></u>	<u><b>1,577,729</b></u>
Other Income (Expense):		
Sale of Life Insurance Policy	-	262,623
Interest expense	<u>(632,067)</u>	<u>(472,771)</u>
	<u>(632,067)</u>	<u>(210,148)</u>
<b>(Loss) income before provision for Income taxes</b>	<b>(765,565)</b>	<b>1,367,581</b>
Provision (Benefit) for Income Taxes	<u>(110,678)</u>	<u>359,216</u>
<b>Net (loss) income</b>	<u><b>\$ (654,887)</b></u>	<u><b>\$ 1,008,365</b></u>

See notes to combined financial statements.

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combined Statements of Retained Earnings  
Years Ended June 30, 2007 and 2006  
See Accountant's Report**

	<u>2007</u>	<u>2006</u>
Balance, beginning	\$ 2,332,491	\$ 1,324,126
Net (loss) income	<u>(654,887)</u>	<u>1,008,365</u>
Balance, ending	<u>\$ 1,677,604</u>	<u>\$ 2,332,491</u>

See notes to combined financial statements.

Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.

Combined Statements of Cash Flows  
Years Ended June 30, 2007 and 2006  
See Accountant's Report

	2007	2006
<b>Cash Flows From Operating Activities:</b>		
Net (loss) income	\$ (654,887)	\$ 1,008,365
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	134,068	106,289
Provision for doubtful accounts	90,669	(64,609)
Deferred income taxes	(176,100)	62,900
Deferred rent credit	39,672	69,128
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables - trade	(3,812,073)	(2,300,155)
- other	(22,070)	(13,565)
Prepaid expenses	(39,706)	(37,193)
Other receivables, noncurrent	133,102	(89,984)
Cash surrender value of life insurance	(42,006)	(30,739)
Security deposits and other	(8,142)	-
Increase (decrease) in:		
Accounts payable	2,990,564	299,890
Accrued expenses and other current liabilities	1,458,870	238,142
Income taxes payable	(59,507)	(24,605)
<b>Net cash provided by (used in) operating activities</b>	<b>32,454</b>	<b>(776,136)</b>
<b>Cash Flows From Investing Activities:</b>		
Due from stockholders	(121,140)	(226,315)
Capital expenditures	(334,289)	(204,662)
<b>Net cash (used in) investing activities</b>	<b>(455,429)</b>	<b>(430,977)</b>
<b>Cash Flows From Financing Activities:</b>		
Increase in line of credit borrowings	952,297	1,439,110
Repayment of vehicle loans and capital leases	(54,274)	-
Repayments of amounts borrowed from former shareholder	(17,000)	-
Payments to repurchase common stock	(310,690)	-
Due to related parties	15,716	113,001
Union settlement obligation	(286,174)	(483,872)
<b>Net cash provided by financing activities</b>	<b>299,875</b>	<b>1,068,139</b>
<b>Net (decrease) in cash</b>	<b>(123,100)</b>	<b>(138,974)</b>
<b>Cash:</b>		
Beginning	356,275	495,249
Ending	<u>\$ 233,175</u>	<u>\$ 356,275</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	<u>\$ 627,492</u>	<u>\$ 472,771</u>
Income taxes paid	<u>\$ 128,829</u>	<u>\$ 283,301</u>
<b>Supplemental Schedule of Noncash Investing and Financing Activities</b>		
Equipment acquired by the assumption of long-term debt	<u>\$ 419,693</u>	<u>\$ -</u>

See notes to combined financial statements.

Guardian Service Industries, Inc. And Guardian Security Services, Inc.

Notes To Combined Financial Statements

See Accountant's Report

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**Note 1. Summary of Significant Accounting Policies and Description of the Company's Business**

Organization and Business: Guardian Service Industries, Inc. ("Service") was incorporated in 1976. Service provides cleaning and maintenance services for commercial buildings in the New York metropolitan area.

Guardian Security Services, Inc. ("Security") was incorporated in 1981. Security provides guard service to commercial clients in the New York metropolitan area.

Service and Security, collectively referred to herein as the "Companies", share common office facilities and administrative staff.

Basis of Combination: The combined financial statements include the accounts of Service and Security which have common ownership. All significant intercompany accounts and transactions have been eliminated in combination.

Revenue Recognition: The Companies derive substantially all of their income from contracts with customers, which provide for various maintenance and security services. Income from these contracts is recognized on a monthly basis as services are provided, and revenue from other services is recognized upon the completion of the work.

Concentration of Credit Risk: Financial instruments that potentially subject the Companies to credit risk consist principally of cash and trade receivables due from individual customers. The Companies deposit their cash with financial institutions and, at times, such cash balances exceed Federal insurance limits. The Companies have not experienced any losses in such amounts. The Companies perform ongoing credit evaluations of their customers' financial condition. Receivables generally are from property owners, managing agents or building tenants and credit losses have consistently been within management's expectations and historically have not been significant.

No individual contract accounts for more than 10% of revenues, however, buildings under the management of a common managing agent(s) accounted for 14% and 22% of revenue for the years ended June 30, 2007 and 2006, respectively. Aggregate amounts of receivables outstanding for those buildings were approximately \$1,879,000 at June 30, 2007.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Companies consider all highly liquid debt instruments purchased as part of their cash management activities with an original maturity of three months or less to be cash equivalents.

Trade Receivables: Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Depreciation and Amortization: Depreciation of property and equipment is provided over their estimated useful lives using straight-line method, ranging from three to ten years. Amortization of improvements to leased premises is provided by the straight-line method over the periods of the leases or the estimated useful lives of the improvements, whichever is less.

Income Taxes: The stockholders of Service have elected S corporation status under the provisions of the Internal Revenue Code and New York State law. Accordingly, its stockholders report their allocable share of the corporation's operations on their individual income tax returns. New York City does not recognize the subchapter S election, and, as such, income is taxed at the corporate level.

Guardian Service Industries, Inc. And Guardian Security Services, Inc.

Notes To Combined Financial Statements

See Accountant's Report

**Note 1. Summary of Significant Accounting Policies and Description of the Company's Business (continued)**

To maintain its S corporation status, Service is required to make a federal tax deposit to maintain its fiscal year. There was no deposit required as of June 30, 2007 and 2006.

Security is a C corporation and, accordingly, is subject to tax on its income at the corporate level.

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Deferred income taxes result from temporary differences due to the recognition of revenue and expense on the cash basis for tax purposes and the accrual basis for financial reporting. Pursuant to IRS regulations, Security has converted to an accrual basis taxpayer effective for fiscal year 2005.

Promotion and Advertising: Promotion and advertising costs are expensed as incurred. Promotion and advertising expense was \$572,735 and \$530,036 for the years ended June 30, 2007 and 2006, respectively.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Reclassification: Certain items in the 2006 financial statements were reclassified to conform with the current year's presentation with no effect on net income.

**Note 2. Property and Equipment**

Property and equipment consist of:

	<u>2007</u>	<u>2006</u>
Furniture and fixtures	\$ 126,843	\$ 125,343
Machinery and equipment	856,184	557,070
Transportation equipment	848,012	398,995
Leasehold improvements	264,661	260,310
	<u>2,095,700</u>	1,341,718
Less: Accumulated depreciation	1,115,980	981,912
	<u>\$ 979,720</u>	<u>\$ 359,806</u>

Depreciation expense for the years ended June 30, 2007 and 2006 was \$134,068 and \$106,289, respectively. At June 30, 2007 transportation equipment includes \$169,324 of equipment under capital leases.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**  
**See Accountant's Report**

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**Note 3. Other Receivable - Noncurrent**

An electrical subcontractor provided services to Service of approximately \$132,000 and \$122,000 during the years ended June 30, 2007 and 2006, respectively. The liability related to these services is offset by advances and expense allocations from the Companies to the subcontractor. The net receivable of approximately \$100,450 and \$233,000 at June 30, 2007 and 2006, respectively, is non-interest bearing and has no fixed repayment terms.

**Note 4. Line of Credit**

The Companies have a combined credit facility of \$7,000,000 with a commercial lender. Interest is payable monthly on the outstanding balance at the rate of prime plus 3/4%. The agreement requires the Companies to maintain minimum tangible net worth and working capital ratios. At June 30, 2007, the Companies were in violation of the financial covenants which were subsequently amended as of November 1, 2007. The credit facility is secured by the Companies' assets and those of an affiliate - Guardian Exterminating Services Corp. ("Exterminating") (Note 9), and the personal guarantees of the two principal officers/stockholders.

**Note 5. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consist of:

	<u>2007</u>	<u>2006</u>
Payroll	\$ 1,847,037	\$ 1,450,992
Vacation pay	1,130,461	967,770
Sick pay	259,029	148,856
Union benefits	322,528	293,448
Workmen's compensation insurance	799,048	516,184
Other	847,454	369,437
	<u>\$ 5,205,557</u>	<u>\$ 3,746,687</u>

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements  
See Accountant's Report**

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**Note 6. Long-Term Debt**

Long-term debt at June 30, 2007 consists of the following:

Equipment notes payable, secured by transportation vehicles, payable in various monthly installments through 2012 with interest ranging from 1.90% to 7.49%	<u>\$ 236,777</u>
Capital lease obligations, payable in various monthly installments through 2012 with interest of 1.90%	<u>128,642</u>
	<u>365,419</u>
Less: current maturities	<u>94,434</u>
	<u><u>\$ 270,985</u></u>

Annual maturities of long-term debt are as follows: 2008: \$94,434, 2009: \$96,820, 2010: \$90,718, 2011: \$59,886 and 2012: \$24,071.

**Note 7. Capital Structure**

At June 30, 2007, Service has 1,000 shares of no par common stock authorized with 724 shares issued. During the fiscal year ended June 30, 2007, the Company repurchased 61 shares of common stock from one of its shareholders for \$310,690.

At June 30, 2007 and 2006, Security has 200 shares of no par common stock authorized with 100 shares issued and outstanding.

**Note 8. Retirement Plans**

Service, along with many other employers, makes contributions to union-sponsored multiemployer pension plans, based on the number of weeks worked by employees covered under union contracts. The Multiemployer Pension Plan Amendments Act of 1980 imposes certain liabilities upon employers associated with multiemployer plans who withdraw from such plans, or upon termination of such plans. Service has not received information from the plans' administrators to determine its share of unfunded vested benefits, if any. Service has not undertaken to terminate, withdraw or partially withdraw from the plans. Contributions to multiemployer plans for the years ended June 30, 2007 and 2006 amounted to approximately \$2,123,500 and \$1,635,000, respectively, and have been included in cost of sales in the accompanying combined statements of operations.

In 2007, the Company adopted a 401(K) defined contribution plan for eligible employees. Company contributions were \$99,000 in 2007.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements  
See Accountant's Report**

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**Note 9. Related Party Transactions**

Due from stockholders represents advances made to the stockholders which are non-interest bearing and are repaid periodically.

Certain of the stockholders of the Companies are also the stockholders of Exterminating. At June 30, 2007 and 2006, the Companies owed Exterminating approximately \$160,000 and \$147,000, respectively. The balance is non-interest bearing and is the net result of advances made to or by the Companies to Exterminating as well as front reimbursements of various expenses incurred by the Companies on behalf of Exterminating.

**Note 10. Union Settlement**

In November 2002, Service entered into an agreement with the Building Service 32B-J Pension, Health and Annuity Funds in settlement of outstanding employer benefit contributions owed by Service for the period July 1, 1997 through January 1, 2002. The agreement provides for Service to remit past due contributions (and interest) of approximately \$2,380,000. Interest expense of approximately \$4,000 and \$38,600 was incurred for the years ended June 30, 2007 and 2006, respectively. Service made principal payments of approximately \$286,000 and \$484,000 during the years ended June 30, 2007 and 2006 pursuant to the terms of the agreement. The full amount of the settlement was paid by December 31, 2006.

**Note 11. Income Taxes**

Provision for income taxes consists of the following:

	<u>2007</u>	<u>2006</u>
Current	\$ 65,422	\$ 296,316
Deferred	<u>(176,100)</u>	<u>62,900</u>
	<u>\$ (110,678)</u>	<u>\$ 359,216</u>

The difference between the income tax provision and the federal statutory rate results primarily from the effect of graduated federal income tax rates, nontaxable and nondeductible items and state and local taxes for Security, and Service's status as an S Corp.

Guardian Service Industries, Inc. And Guardian Security Services, Inc.

Notes To Combined Financial Statements

See Accountant's Report

Note 12. Commitments and Contingencies

Stockholders agreement: Service has an agreement with its stockholders which obligates Service to purchase their shares of common stock. The agreement provides for payments to the individual stockholders based upon the face value of life insurance policies, in which Service is the beneficiary, on the respective lives of the stockholders.

Leases: The Companies lease office space under an operating lease through April, 2015, that provides for base rent and payments for various escalations. The Companies were required to deposit with the landlord a security deposit of \$25,000. The Company also leases transportation vehicles under capital leases. Future minimum annual rentals are as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>	<u>Capital</u>
2008	\$ 219,275	\$ 42,981
2009	231,900	42,981
2010	231,900	34,945
2011	231,900	8,576
2012	244,381	3,253
Thereafter	696,564	-
	<u>1,855,920</u>	<u>132,736</u>
Less: Amount representing interest	<u>-</u>	<u>4,094</u>
	<u>\$ 1,855,920</u>	<u>\$ 128,642</u>

Rent expense for the years ended June 30, 2007 and 2006, including short-term equipment rentals, amounted to approximately \$279,000 and \$210,000, respectively, of which approximately \$29,000 represents escalation payments each year.

# McGladrey & Pullen

Certified Public Accountants

## **Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

Combined Financial Report  
(Reviewed)

June 30, 2006

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# McGladrey & Pullen

Certified Public Accountants

## Independent Accountant's Report

To the Board of Directors  
Guardian Services Industries, Inc. and Guardian Security Services, Inc.  
New York, New York

We have reviewed the accompanying combined balance sheets of Guardian Service Industries, Inc. and Guardian Security Services, Inc. (collectively, the "Companies") as of June 30, 2006 and 2005, and the related combined statements of income, retained earnings and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Companies.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is *substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America*, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying combined financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*McGladrey & Pullen, LLP*

New York, New York  
September 20, 2006

Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.

Combined Balance Sheets  
June 30, 2006 and 2005  
See Accountant's Report

	2006	2005
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 356,275	\$ 495,249
Receivables:		
Trade, less allowance for doubtful accounts of \$300,771 and \$365,380	8,879,186	7,514,422
Other	81,471	67,906
Prepaid expenses	778,514	741,321
<b>Total current assets</b>	<u>11,095,448</u>	<u>8,818,898</u>
Property and Equipment, at cost less accumulated depreciation and amortization	<u>359,806</u>	<u>261,433</u>
Other Assets:		
Other receivables	233,551	143,567
Cash surrender value of life insurance	230,739	200,000
Security deposits and other	86,389	86,389
<b>Total other assets</b>	<u>530,679</u>	<u>409,956</u>
	<u>\$ 11,985,931</u>	<u>\$ 9,490,287</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Line of credit	\$ 4,306,657	\$ 2,867,547
Accounts payable	1,177,834	877,944
Union settlement obligation - current portion	288,174	492,083
Accrued expenses and other current liabilities	3,746,687	3,508,545
Due to related parties	247,157	134,156
Income taxes payable	65,152	89,757
Deferred income taxes	424,600	263,700
<b>Total current liabilities</b>	<u>10,254,261</u>	<u>8,233,732</u>
Union Settlement Obligation - net of current portion	<u>-</u>	<u>278,063</u>
Due to Stockholders	<u>123,675</u>	<u>123,675</u>
Deferred Income Taxes	<u>-</u>	<u>98,000</u>
Deferred Rent Credit	<u>109,453</u>	<u>40,325</u>
Stockholders' Equity:		
Common stock	30,000	30,000
Retained earnings	2,332,491	1,324,128
Less: Due from stockholders	<u>(853,949)</u>	<u>(637,634)</u>
<b>Total stockholders' equity</b>	<u>1,498,542</u>	<u>716,492</u>
	<u>\$ 11,985,931</u>	<u>\$ 9,490,287</u>

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combined Statements of Income  
Years Ended June 30, 2006 and 2005  
See Accountant's Report**

	2006	2005
Net Sales	\$ 67,854,335	\$ 54,695,237
Cost of Sales	<u>60,030,794</u>	<u>48,185,144</u>
Gross profit	7,823,541	6,510,093
Selling, General and Administrative Expenses	<u>6,245,812</u>	<u>5,153,291</u>
Income from operations	<u>1,577,729</u>	<u>1,356,802</u>
Other Income (Expense):		
Sale of Life Insurance Policy	262,623	-
Interest expense	(472,771)	(328,782)
Litigation settlement	-	(70,000)
	<u>(210,148)</u>	<u>(398,782)</u>
Income before provision for income taxes	1,367,581	958,020
Provision for Income Taxes	<u>359,216</u>	<u>172,542</u>
Net income	<u>\$ 1,008,365</u>	<u>\$ 785,478</u>

See notes to combined financial statements.

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combined Statements of Retained Earnings  
Years Ended June 30, 2006 and 2005  
See Accountant's Report**

	2006	2005
Balance, beginning	\$ 1,324,126	\$ 538,648
Net income	<u>1,008,365</u>	<u>785,478</u>
Balance, ending	<u>\$ 2,332,491</u>	<u>\$ 1,324,126</u>

See notes to combined financial statements.

Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.

Combined Statements of Cash Flows  
Years Ended June 30, 2006 and 2005  
See Accountant's Report

	2006	2005
<b>Cash Flows From Operating Activities:</b>		
<i>Net income</i>	\$ 1,008,385	\$ 785,478
Adjustments to reconcile net income to net cash (used in) operating activities:		
Depreciation and amortization	106,289	106,000
Provision for doubtful accounts	(64,609)	70,824
Deferred income taxes	62,900	(8,300)
Deferred rent credit	69,128	40,325
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables - trade	(2,300,155)	(1,310,003)
- other	(13,565)	(26,747)
Prepaid expenses	(37,193)	(427,903)
Other receivables	(89,984)	120,138
Cash surrender value of life insurance	(30,739)	-
Increase (decrease) in:		
Accounts payable	299,880	125,024
Accrued expenses and other current liabilities	238,142	902,868
Income taxes payable	(24,605)	41,261
Union settlement obligation	(483,972)	(422,506)
<b>Net cash (used in) operating activities</b>	<u>(1,260,106)</u>	<u>(3,541)</u>
<b>Cash Flows From Investing Activities:</b>		
Due from stockholders	(226,315)	(203,681)
Capital expenditures	(204,662)	(275,308)
Security deposits and other	-	(7,499)
<b>Net cash (used in) investing activities</b>	<u>(430,977)</u>	<u>(486,488)</u>
<b>Cash Flows From Financing Activities:</b>		
Increase in line of credit borrowings	1,439,110	587,372
Due to related parties	113,001	183,135
<b>Net cash provided by financing activities</b>	<u>1,552,111</u>	<u>770,507</u>
<b>Net (decrease) increase in cash</b>	<u>(138,974)</u>	<u>280,478</u>
<b>Cash:</b>		
Beginning	495,249	214,771
Ending	<u>\$ 356,275</u>	<u>\$ 495,249</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Interest paid	<u>\$ 472,771</u>	<u>\$ 333,756</u>
Income taxes paid	<u>\$ 283,301</u>	<u>\$ 132,650</u>

See notes to combined financial statements.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**  
**See Accountant's Report**

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**Note 1. Summary of Significant Accounting Policies and Description of the Company's Business**

Organization and Business: Guardian Service Industries, Inc. ("Service") was incorporated in 1976. Service provides cleaning and maintenance services for commercial buildings in the New York metropolitan area.

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Concentration of Credit Risk: Financial instruments that potentially subject the Companies to credit risk consist principally of cash and trade receivables due from individual customers. The Companies deposit their cash with financial institutions and, at times, such cash balances exceed Federal insurance limits. The Companies have not experienced any losses in such amounts. The Companies perform ongoing credit evaluations of their customers' financial condition. Receivables generally are from property owners, managing agents or building tenants and credit losses have consistently been within management's expectations and historically have not been significant.

No individual contract accounts for more than 10% of revenues, however, buildings under the management of a common managing agent(s) accounted for 22% and 11% of revenue for the years ended June 30, 2006 and 2005, respectively. Aggregate amounts of receivables outstanding for these buildings were approximately \$3,048,000 at June 30, 2006.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the Companies consider all highly liquid debt instruments purchased as part of their cash management activities with an original maturity of three months or less to be cash equivalents.

Trade Receivables: Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Guardian Service Industries, Inc. And Guardian Security Services, Inc.

Notes To Combined Financial Statements

See Accountant's Report

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Note 1. Summary of Significant Accounting Policies and Description of the Company's Business (continued)

Depreciation and Amortization: Depreciation of property and equipment is provided over their estimated useful lives using straight-line and accelerated methods, ranging from three to ten years. Amortization of improvements to leased premises is provided by the straight-line method over the periods of the leases or the estimated useful lives of the improvements, whichever is less.

Income Taxes: The stockholders of Service have elected S corporation status under the provisions of the Internal Revenue Code and New York State law. Accordingly, its stockholders report their allocable share of the corporation's operations on their individual income tax returns. New York City does not recognize the subchapter S election, and, as such, income is taxed at the corporate level.

To maintain its S corporation status, Service is required to make a federal tax deposit to maintain its fiscal year. There was no deposit required as of June 30, 2006 and 2005.

Security is a C corporation and, accordingly, is subject to tax on its income at the corporate level.

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases.

Deferred income taxes result from temporary differences due to the recognition of revenue and expense on the cash basis for tax purposes and the accrual basis for financial reporting. Pursuant to IRS regulations, Security has converted to an accrual basis taxpayer effective for fiscal year 2005.

Promotion and Advertising: Promotion and advertising costs are expensed as incurred. Promotion and advertising expense was \$530,036 and \$552,761 for the years ended June 30, 2006 and 2005, respectively.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Reclassification: Certain items in the 2005 financial statements were reclassified to conform with the current year's presentation with no effect on net income.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**  
**See Accountant's Report**

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**Note 2. Property and Equipment**

Property and equipment consist of:

	<u>2006</u>	<u>2005</u>
Furniture and fixtures	\$ 125,343	\$ 124,970
Machinery and equipment	557,070	363,796
Transportation equipment	398,995	387,980
Leasehold improvements	<u>260,310</u>	<u>260,310</u>
	1,341,718	1,137,056
Less: Accumulated depreciation	<u>981,912</u>	<u>875,623</u>
	<u>\$ 359,806</u>	<u>\$ 261,433</u>

Depreciation expense for the years ended June 30, 2006 and 2005 was \$106,289 and \$106,000, respectively.

**Note 3. Other Receivable - Noncurrent**

The stockholders of the Companies formerly owned a minority interest in Hirsch Electric Services ("Hirsch"). Hirsch provided electrical subcontractor services to Service of approximately \$122,000 and \$121,000 during the years ended June 30, 2006 and 2005, respectively. The liability related to these services is offset by advances and expense allocations from the Companies to Hirsch. The net receivable of approximately \$233,000 and \$143,000 at June 30, 2006 and 2005, respectively, is non-interest bearing and has no fixed repayment terms.

**Note 4. Line of Credit**

The Companies have a combined credit facility of \$4,500,000 with a commercial lender. Interest is payable monthly on the outstanding balance at the rate of prime plus 3/4%. The agreement requires the Companies to maintain minimum tangible net worth and working capital ratios. The credit facility is secured by the Companies' assets and those of an affiliate - Guardian Exterminating Services Corp. ("Exterminating") (Note 8), the personal guarantees of the three principal officers/stockholders and a pledge of securities from one officer/stockholder's wife.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**

**See Accountant's Report**

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**Note 5. Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consist of:

	<u>2006</u>	<u>2005</u>
Payroll	\$ 1,450,992	\$ 1,638,429
Vacation pay	967,770	897,784
Sick pay	148,856	80,326
Union benefits	293,448	151,168
Workmen's compensation insurance	516,184	149,306
Other	369,437	591,532
	<u>\$ 3,746,687</u>	<u>\$ 3,508,545</u>

**Note 6. Capital Structure**

At June 30, 2006 and 2005, Service has 1,000 shares of no par common stock authorized with 785 shares issued and outstanding.

At June 30, 2006 and 2005, Security has 200 shares of no par common stock authorized with 100 shares issued and outstanding.

**Note 7. Pension Plan**

Service, along with many other employers, makes contributions to union-sponsored multiemployer pension plans, based on the number of weeks worked by employees covered under union contracts. The Multiemployer Pension Plan Amendments Act of 1980 imposes certain liabilities upon employers associated with multiemployer plans who withdraw from such plans, or upon termination of such plans. Service has not received information from the plans' administrators to determine its share of unfunded vested benefits, if any. Service has not undertaken to terminate, withdraw or partially withdraw from the plans. Contributions to multiemployer plans for the years ended June 30, 2006 and 2005 amounted to approximately \$1,635,000 and \$1,098,000, respectively, and have been included in cost of sales in the accompanying combined statements of income.

**Note 8. Related Party Transactions**

Due from stockholders represents advances made to the stockholders which are non-interest bearing and are repaid periodically.

Certain of the stockholders of the Companies are also the stockholders of Exterminating. At June 30, 2006 and 2005, the Companies owed Exterminating approximately \$147,000 and \$95,000, respectively. The balance is non-interest bearing and is the net result of advances made to or by the Companies to Exterminating as well as from reimbursements of various expenses incurred by the Companies on behalf of Exterminating.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**  
**See Accountant's Report**

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**Note 9. Union Settlement**

In November 2002, Service entered into an agreement with the Building Service 32B-J Pension, Health and Annuity Funds in settlement of outstanding employer benefit contributions owed by Service for the period July 1, 1997 through January 1, 2002. The agreement provides for Service to remit past due contributions (and interest) of approximately \$2,380,000. Interest expense of approximately \$36,600 and \$53,600 was incurred for the years ended June 30, 2006 and 2005, respectively. Service made principal payments of approximately \$484,000 and \$423,000 during the years ended June 30, 2006 and 2005 pursuant to the terms of the agreement. Monthly principal payments of approximately \$47,000 are required through December 31, 2006.

**Note 10. Income Taxes**

Provision for income taxes consists of the following:

	<u>2006</u>	<u>2005</u>
Current	\$ 296,316	\$ 180,842
Deferred	62,900	(8,300)
	<u>\$ 359,216</u>	<u>\$ 172,542</u>

The difference between the income tax provision and the federal statutory rate results primarily from the effect of graduated federal income tax rates, nontaxable and nondeductible items and state and local taxes for Security, and Service's status as an S Corp.

**Note 11. Commitments and Contingencies**

Stockholders agreement: Service has an agreement with its stockholders which obligates Service to purchase their shares of common stock. The agreement provides for payments to the individual stockholders based upon the face value of life insurance policies, in which Service is the beneficiary, on the respective lives of the stockholders.

**Guardian Service Industries, Inc. And Guardian Security Services, Inc.**

**Notes To Combined Financial Statements**  
**See Accountant's Report**

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**Note 11. Commitments and Contingencies (Continued)**

Leases: The Companies lease office space under an operating lease through April, 2015, that provides for base rent and payments for various escalations. The Companies were required to deposit with the landlord a security deposit of \$25,000. Future minimum annual rentals are as follows:

Year Ending June 30.

2007	\$ 180,560
2008	219,275
2009	231,900
2010	231,900
2011	231,900
Thereafter	<u>940,945</u>
	<u>\$ 2,036,480</u>

Rent expense for the years ended June 30, 2006 and 2005, including equipment rentals, amounted to approximately \$210,000 and \$199,000, respectively, of which approximately \$29,000 and \$22,000, respectively, represents escalation payments.

# McGladrey & Pullen

Certified Public Accountants

## Independent Accountant's Report On Supplementary Information

To the Board of Directors  
Guardian Services Industries, Inc. and Guardian Security Services, Inc.  
New York, New York

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the basic combined financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information which follows is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic combined financial statements and we did not become aware of any material modifications that should be made to such information.

*McGladrey & Pullen, LLP*

New York, New York  
September 20, 2008

Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.

Combining Balance Sheet  
June 30, 2006

See Accountant's Report on Supplementary Information

	Guardian Service Industries, Inc.	Guardian Security Services, Inc.	Eliminations	Combined
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash	\$ 311,278	\$ 44,997	\$ -	\$ 356,275
Receivables:				
Trade, net of allowance for doubtful accounts	8,789,902	1,089,284	-	9,879,186
Other	54,070	27,401	-	81,471
Prepaid expenses	751,076	17,438	-	778,514
<b>Total current assets</b>	<b>9,916,326</b>	<b>1,179,120</b>	<b>-</b>	<b>11,095,446</b>
Property and Equipment, at cost less accumulated depreciation and amortization	359,802	4	-	359,806
<b>Other Assets:</b>				
Due from affiliates	-	1,142,985	(1,142,985)	-
Other receivables	233,551	-	-	233,551
Cash surrender value of life insurance	230,739	-	-	230,739
Security deposits and other	58,427	7,962	-	66,389
<b>Total other assets</b>	<b>522,717</b>	<b>1,150,947</b>	<b>(1,142,985)</b>	<b>530,679</b>
	<b>\$ 10,798,845</b>	<b>\$ 2,330,071</b>	<b>\$ (1,142,985)</b>	<b>\$ 11,985,931</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities:</b>				
Line of credit	\$ 3,930,996	\$ 375,691	\$ -	\$ 4,306,687
Accounts payable	1,142,581	35,253	-	1,177,834
Union settlement obligation	286,174	-	-	286,174
Accrued expenses and other current liabilities	3,477,930	268,757	-	3,746,687
Due to related parties	112,939	134,218	-	247,157
Income taxes payable	4,800	60,352	-	65,152
Deferred income taxes	325,600	99,000	-	424,600
<b>Total current liabilities</b>	<b>9,291,020</b>	<b>973,241</b>	<b>-</b>	<b>10,254,261</b>
Due to Affiliate	1,142,985	-	(1,142,985)	-
Due to/from Stockholders	140,908	(17,233)	-	123,675
Deferred Rent Credit	109,453	-	-	109,453
<b>Stockholders' Equity:</b>				
Common stock	25,000	5,000	-	30,000
Retained earnings	749,197	1,583,294	-	2,332,491
Less: Due from stockholders	(648,718)	(214,231)	-	(862,949)
<b>Total stockholders' equity</b>	<b>124,479</b>	<b>1,374,063</b>	<b>-</b>	<b>1,498,542</b>
	<b>\$ 10,798,845</b>	<b>\$ 2,330,071</b>	<b>\$ (1,142,985)</b>	<b>\$ 11,985,931</b>

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combining Statement of Income  
Year Ended June 30, 2006**

*See Accountant's Report on Supplementary Information*

	Guardian Service Industries, Inc.	Guardian Security Services, Inc.	Combined
Net Sales	\$ 57,987,856	\$ 9,866,479	\$ 67,854,335
Cost of Sales	<u>51,637,392</u>	<u>8,393,402</u>	<u>60,030,794</u>
<b>Gross profit</b>	6,350,464	1,473,077	7,823,541
Selling, General and Administrative Expenses	<u>4,973,268</u>	<u>1,272,544</u>	<u>6,245,812</u>
<b>Income from operations</b>	<u>1,377,196</u>	<u>200,533</u>	<u>1,577,729</u>
Other Income (Expense):			
Sale of Life Insurance Policy	262,623	-	262,623
Interest Expense	<u>(460,485)</u>	<u>(12,286)</u>	<u>(472,771)</u>
	<u>(197,862)</u>	<u>(12,286)</u>	<u>(210,148)</u>
<b>Income before provision for income taxes</b>	1,179,334	188,247	1,367,581
Provision for Income Taxes	<u>180,203</u>	<u>179,013</u>	<u>359,216</u>
<b>Net Income</b>	<u>\$ 999,131</u>	<u>\$ 9,234</u>	<u>\$ 1,008,365</u>

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combining Statement of Retained Earnings  
Year Ended June 30, 2006  
See Accountant's Report on Supplementary Information**

	<b>Guardian Service Industries, Inc.</b>	<b>Guardian Security Services, Inc.</b>	<b>Combined</b>
Balance, beginning	\$ (249,934)	\$ 1,574,060	\$ 1,324,126
Net income	<u>999,131</u>	<u>9,234</u>	<u>1,008,365</u>
Balance, ending	<u>\$ 749,197</u>	<u>\$ 1,583,294</u>	<u>\$ 2,332,491</u>

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combining Schedule of Cost of Sales**

**Year Ended June 30, 2006**

**See Accountant's Report on Supplementary Information**

	Guardian Service Industries, Inc.	Guardian Security Services, Inc.	Combined
Labor	\$ 34,339,261	\$ 6,848,187	\$ 41,187,448
Payroll taxes	3,197,059	689,385	3,886,444
Subcontracting	1,327,906	-	1,327,906
Window cleaning	73,157	-	73,157
Purchases - materials and supplies	2,549,228	75,265	2,624,493
Union health and welfare fund	6,255,510	346,102	6,601,612
Union pension fund	1,635,154	72,789	1,707,943
Union annuity fund	381,247	19,827	401,074
Insurance	<u>1,878,870</u>	<u>341,853</u>	<u>2,220,723</u>
	<u>\$ 51,637,392</u>	<u>\$ 8,393,402</u>	<u>\$ 60,030,794</u>

**Guardian Service Industries, Inc. And  
Guardian Security Services, Inc.**

**Combining Schedule of Selling, General and Administrative Expenses  
Year Ended June 30, 2006  
See Accountant's Report on Supplementary Information**

	Guardian Service Industries, Inc.	Guardian Security Services, Inc.	Combined
Officers' salaries	\$ 950,764	\$ 310,833	\$ 1,261,597
Administrative salaries	679,992	439,868	1,119,860
Payroll taxes	44,380	20,423	64,803
Repairs and maintenance	73,144	-	73,144
Entertainment	423,525	210,163	633,688
Automobile and truck expenses	334,134	13,872	348,006
Delivery	20,763	-	20,763
Professional and consulting fees	396,226	36,355	432,581
Office expense	155,810	(4,801)	151,009
Bank service charges	48,912	4,075	52,987
Promotion expense	481,786	48,250	530,036
Rent	210,493	38,747	249,240
Data processing	92,021	33,367	125,388
Telephone	212,923	25,243	238,166
Insurance	448,002	10,380	458,382
Permits and licenses	800	14,510	15,310
Damage claims	1,780	-	1,780
Employee benefit plan	70,659	-	70,659
Dues and subscriptions	22,643	-	22,643
Depreciation and amortization	106,257	32	106,289
Miscellaneous	198,254	71,227	269,481
	<u>\$ 4,973,268</u>	<u>\$ 1,272,544</u>	<u>\$ 6,245,812</u>

CERTIFICATE OF INCORPORATION

- OF -

· GUARDIAN SECURITY SERVICES, INC.

Under Section 402 of the Business Corporation Law

The undersigned, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, does hereby certify and set forth:

FIRST: The name of the corporation is GUARDIAN SECURITY SERVICES, INC.

SECOND: The purposes for which the corporation is formed are:

(1) To provide and furnish general and specific protection, maintenance, security and custodial services, to provide watchmen, guards and security personnel to any individual, firm, corporate body politic or governmental agency.

(2) To acquire by purchase, subscription, underwriting or otherwise, and to own, hold for investment, or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities and evidences of indebtedness, contracts or obligations of any corporation or association, whether domestic or foreign, or of any firm or individual or of the United States or any foreign country, or any municipality or local authority within or without the United States, and also issue in exchange therefor, stocks, bonds, or other securities or evidences of indebtedness of this corporation and while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends, and income on or from such property and to possess and exercise in respect thereof all of the rights, powers and privileges of ownership, including all voting powers thereon.

(3) To construct, build, purchase, lease or otherwise

control, operate, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account, any and all plants, machinery works, implements and things or property, real and personal, of every kind and description, incidental to, connected with, or suitable, necessary or convenient for any of the purposes enumerated herein, including all or any part or parts of the properties, assets, business and good will of any persons, firms, associations or corporations.

(4) The powers, rights and privileges provided in this Certificate are not to be deemed to be in limitation of similar, other or additional powers, rights and privileges granted or permitted to a corporation by the Business Corporation Law, it being intended that this corporation shall have all the rights, powers and privileges granted or permitted to a corporation by such statute.

THIRD: The office of the corporation is to be located in the County of New York, State of New York.

FOURTH: The aggregate number of shares which the corporation shall have the authority to issue is Two Hundred (200), all of which shall be without par value.

FIFTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The post office to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

c/o Bruckman, Bernstone & Goldman, Esqs.  
292 Madison Avenue  
New York, New York 10017

SIXTH: The first fiscal year of the corporation shall end on February 28, 1982.

The undersigned incorporator is of the age of twenty-one years or over.

IN WITNESS WHEREOF, this Certificate has been subscribed to this 24th day of March, 1981, by the undersigned incorporator, who affirms that the statements made herein are true under penalties of perjury.

M n

~~Y I -~~  
GEORGE F. BRUCKMAN  
Incorporator

292 Madison Avenue  
New York, New York 10017



## **SECTION B**

### **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY



Guardian Security Services, Inc. (GSS) is pleased to submit our proposal to provide Unarmed, Uniformed Fire Safety Directors

for The Port Authority of NY & NJ (PANYNJ) at the temporary Path World Trade Center Station. This response confirms GSS's agreement to all contract terms as stated in the RFP documents. GSS has assembled an approach incorporating the necessary resources in terms of recruiting, training, management, quality control procedures and field personnel along with technology to deliver a high quality and cost-effective solution. All aspects of this proposal are in strict accordance with the bid documents and corresponding addendums. After your evaluation of our proposal and of the attached pricing, we believe all areas of the evaluation criteria will have been addressed and exceed the required benchmarks. This includes the following:

- *GSS has adhered to the specified proposal format*
- *GSS has provided all required submissions and documentation*
- *The GSS Management approach is attainable and we have provided for wage and benefit structure*
- *GSS has ensured contract performance standards with a total quality management program*
- *GSS has identified an attainable and compliant W/MBE (for more information regarding W/MBE please refer to Section 1 of our response document) program to meet Port Authority goals*
- *GSS meets or exceeds the fiduciary experience and similar contracts and capabilities necessary to perform this contract*
- *GSS has provided for a comprehensive Uniform & Management dress code program with a weekly laundering program*
- *24/7/365 Customer Support*



- *Maintains complete and accurate records of all costs associated with security services provided.*
- *All staff members will be background checked and drug tested through Sterling Testing and our security department in accordance with PA NY/NJ standards*
- *GSS has allotted all necessary equipment, supplies and bench personnel as per the bid specifications*
- *Guardian Security is licensed in accordance with all Federal, New York State, County and Local laws governing the security industry. Guardian holds licenses required by the New York Department of State, Division of Licensing Services, Division of Criminal Justice Services (Security Guard Act of 1992) and New York City Police Department.*



GSS offers the Port Authority a single sourced self-performing security services provider with the ability to provide every aspect of the necessary management and core services as outlined in the RFP document. Since 1973, Guardian Security Services has served New York state businesses and professionals as the premiere provider of security, investigative and loss prevention services. Guardian's disciplined; highly trained and motivated personnel stand ready to deliver the tools, technology and talent needed to protect people, property and proprietary information, 24 hours a day, 7 days a week, 52 weeks a year.



GSS exceeds every requirement of the RFP with a comprehensive solution to PANY/NJ including multiple value added features at no additional cost to enhance a successful integration of our security program.

- *A proven dedicated Senior Fire Safety Director*
- *Web Based Management Reporting System*
- *24/7/365 Customer Support Center – for emergency response*
- *State of the art training for the required 64 hours of training*
- *Electronic time and payroll system*
- *Total Quality Management program*
- *On staff dedicated security recruiting professionals*
- *Advance time to payroll system*
- *Bio-metric time clock*
- *Plus state of the art audio/visually led training facility*
- *Blackberry communication devices*

Guardian Security Services is a subsidiary of Guardian Service Industries, Inc. (GSI). We are a family owned and operated NY/NJ based enterprise with \$100 Million dollars in annual revenues and over 2000 employees. Our company self performs high quality unarmed, uniformed guard, Fire Safety & messenger center services for some of the area's most prestigious properties, including:

- *Broad Street Development Corporation*
- *CB Richard Ellis*
- *Tishman Speyer Properties*
- *Earl Kazis & Assoc.*
- *Silverstein Properties*
- *Princeton Properties*



These projects provide evidence of relevant experience in high security, mission critical facilities. The services performed at each of these sites include all of the proposed services contained in this RFP. Our firm's experience ensures satisfaction of all the project requirements outlined in your RFP.

This proposal is formatted as requested in the RFP detailing our approach with manpower and cost related elements. All background and fiscal information is included as well as a detailed assessment of unique practices and the technology GSI will incorporate in the project.

The company's mission and project objective is to provide a safe, reliable security guard program to PANYNJ.

GSS continually strives to be your preeminent provider of premium security services and to brand us synonymous with quality, integrity and customer satisfaction throughout the life of the contract.

Senior management of GSS has had extensive experience in the provisioning of security services in landmark facilities, such as major terminals at NY LaGuardia Airport & The World Trade Center site.

Guardian Security has a direct working relationship with the NYC Mayor's Office of Emergency Management; NYPD/FBI Terrorism Task Force; ATF; FEMA; and the New York State Office of Emergency Management. Guardian maintains these relationships to stay current with the security industry for the purpose of assessing risk, planning and recovery from actual and potential threats and determining the correct security procedures for Guardian's customers.



As you review and grade our proposal, we have provided you with all essential information identified as required in the RFP with all required cost documents accounting for local prevailing wage rates and union personnel as well as all specified equipment and supplies necessary to fulfill the project's requirements. This flexibility will allow for trouble free startup and assured labor harmony. Our response includes all requested documentation, forms and details illustrating our approach as well as providing for strict compliance to the scope of service, including the following specific highlights:

- Resumes of the all Guardian Management personnel with a direct stake in the contract.
- A site specific mission statement for the provisioning of security services at the Temporary Path Station.
- All the required insurance provisions
- Contractor Identity & Drug Background program.
- Comprehensive submittal program for planning and execution of security services
- Web based customer support services with wireless alert to blackberry handheld devices

GSS has established a flexible solution anticipating the constantly and rapidly changing environment at these airports. This flexibility through planning technology and human asset development will guarantee the level of responsiveness and quality which the Port Authority demands.



## **SECTION C**

# **AGREEMENT ON TERMS OF DISCUSSION**



## **AGREEMENT ON TERMS OF DISCUSSION**

GSS has submitted a copy of the "Agreement on Terms of Discussion", signed and authorized by Samuel Herzfeld, Guardian's CEO. Please see the following pages to review Attachment A, which has been included without any alterations or deviations.

**ATTACHMENT A**

**AGREEMENT ON TERMS OF DISCUSSION**

The Port Authority acting on behalf of PATH's receipt or discussion of any information (including information contained in any proposal, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority acting on behalf of PATH or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority acting on behalf of PATH and us). Any such information given to the Port Authority acting on behalf of PATH before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority acting on behalf of PATH rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority acting on behalf of PATH will employ reasonable efforts, subject to the provisions of the Authority's Freedom of Information Resolution adopted by its Committee on Operations on August 13, 1992, which may be found on the Authority website at [http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi\\_policy.html](http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html), not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority acting on behalf of PATH as part of or in connection with the submission of a proposal.

Guardian Security Services

(Company)



(Signature)

CEO

(Title)

September 10, 2008

(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.  
DO NOT RETYPE.**



## **SECTION D**

# **CERTIFICATION WITH RESPECT TO PROVISIONS**



## **CERTIFICATION WITH RESPECT TO PROVISIONS**

By signing the attached letter of transmittal, Guardian Service Industries makes the certifications as required in the "contractor's Integrity Provisions".



## **SECTION E**

### **DOCUMENTATION OF PROPOSER**

### **PREREQUISITES**



## **DOCUMENTATION OF PROPOSER'S PREREQUISITES**

Following, GSS has provided all evidence that we meet all prerequisites provided in the RFP document. GSS has been operated since 1973 under the same owner and same license.

### **Proposer Prerequisites**

#### **Continuous Experience**

GSS understands the complexity of organizations and has proactively taken all measures to demonstrate compliance with regard to high quality properties that help propel GSS as a preeminent provider of premium security guard services.

##### **a. Experience**

This select group of references in Exhibit 1 of the RFP clearly demonstrates that GSS meets "five (5) years of continuous experience".

##### **b. Performance**

GSS has provided the management and service personnel necessary to perform the unarmed, uniformed security guard services at well over 50 locations, incorporating a workforce of over 1000 professionals. The company has proven its ability to offer a scalable recruitment and training plan and all ability to deploy industry specific proven management to meet our client's objectives. This ability demonstrates our capacity to provide services of a similar scope and complexity.



**c. Earnings**

GSS and its parent company, GSI, presently provide unarmed, uniformed security guards, *similarly trained concierge and fire safety & other service workers all employed for an excess of the last two (2) years by the company.* The cumulative gross revenues for these workers exceeds the \$20,000,000.00 threshold required in the RFP. This includes all workers employees (approx. 2000) under collective bargaining agreement with SEIU Local 328J. For further information regarding our financial information, please refer to Exhibit C of our response document.

**d. Licensing**

GSS is in possession of and has provided, in Exhibit D, copies of the necessary licensing as outlined on page v paragraph "d." Additionally all personal provisioned for all work at the site will possess compliant licenses as required.



**SECTION F**

**PROPOSAL**



## **PROPOSAL**

GSS has prepared a proposal in strict accordance with the RFP documentation. We have provided details which clearly describe our procedures, plans, policies and staffing that the proposer tends to utilize in order to fulfill the requirements of the anticipated contract for Fire Safety Director Services. We have adhered to all guidelines and the order of our proposal is in EXACT accordance of the proposer's request. Please see the following sections (*Sections One through Six*) for our complete and comprehensive proposal.

Thank you for your time in considering us for this award.



## **SECTION 1**

# **PROPOSER'S OVERALL EXPERIENCE**



## **1. PROPOSERS OVERALL EXPERIENCE**

In accordance with the RFP document we are providing evidence of existing relevant contracts and corresponding contact information as required. This select group of references clearly demonstrates Guardian Security Services qualifications to provide the outlined services for a successful completion of the contract scope of work. Please refer to Exhibit 1 (Proposer Reference Form) as stated in the RFP document. All on-going training programs, background checks, human resource development programs and the development and use of performance measurements as well as quality control programs are described throughout our proposal response.

EXHIBIT 1

PROPOSER REFERENCE FORM

Name of Proposer: GUARDIAN SECURITY SERVICES INC.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: CB Richard Ellis  
Address: 885 3<sup>RD</sup> Avenue  
Contact Name and Title: JAVIER LEZAMIZ, Senior Real Estate Manager  
Phone <sup>(712)</sup> 230-2363 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): July 2007 - Present  
Contract cost: 693 hours per week, \$ 800,000 (approx per year)  
Description of work:  
FSD Hours - (80) per week. Conduct fire Patrols of facility &  
monitor all class E systems.

Customer Name: Liquornet Holdings  
Address: 498 7<sup>th</sup> Avenue  
Contact Name and Title: BRAO ELINS, Security Manager (In-House)  
Phone <sup>(404)</sup> 660-8459 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): October 2007 to Present  
Contract cost: 110 hours per week, \$ 110,000 (approx per year)  
Description of Work:  
FSD Hours - (110) per week. Conduct hourly Patrols of All Class E  
systems & fire doors.

Customer Name: Broad Street Development  
Address: 601 Broad Street  
Contact Name and Title: JUDITH FARRELL, Property Manager  
Phone <sup>(404)</sup> 609-3701 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date (s): June 2001 - Present  
Contract cost: 400 hours per week, \$ 500,000 (approx per year)  
Description of work: FSD Hours (120) per week. Conduct routine patrols  
of All fire doors & monitor & check all Class E  
Systems.

EXHIBIT 1

PROPOSER REFERENCE FORM

Name of Proposer: Guardian Security Services Inc.

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: Tishman Speyer  
Address: 156 West 36<sup>th</sup> Street, New York, NY  
Contact Name and Title: Sharon Ruzica, Property Manager  
Phone <sup>(212)</sup> 887-5605 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): January 2004 - Present  
Contract cost: 248 hours per week, \$350,000 (approx per year)  
Description of work:  
FSD Hours - (40) per week. Act as Consierge officer as well as  
monitoring of All Class E systems. Conduct hourly patrols of  
building to ensure fire life safety.

Customer Name: Philips International  
Address: 800 2<sup>nd</sup> Avenue, New York, NY  
Contact Name and Title: Dina Lewinson, Property Manager  
Phone <sup>(212)</sup> 951-3807 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): July 2006 - Present  
Contract cost: 336 hours per week, \$350,000 (approx per year)  
Description of Work:  
FSD Hours - (30) per week. Act as consierge officer as well as  
monitor all CLASS E systems. Conduct hourly patrols of building.

Customer Name: Philips International  
Address: 40 Nector Street, New York, NY  
Contact Name and Title: Dina Lewinson, Property Manager  
Phone <sup>(212)</sup> 951-3809 and Fax Numbers of  
Contact: JUNE 2005 to Present  
Contract date (s): \_\_\_\_\_  
Contract cost: 40 hours per week, \$80,000 (approx per year)  
Description of work: FSD Hours - (40) per week. monitor all CLASS E  
system activity @ main desk. Perform hourly  
patrols of all fire doors.

EXHIBIT 1

PROPOSER REFERENCE FORM

Name of Proposer: GUARDIAN Security Services

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: CBRE  
Address: 292 Madison Avenue, New York, NY  
Contact Name and Title: Javier Lozano, Senior Real Estate Manager  
Phone <sup>(212)</sup> 230-2363 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): July 2007 - Present  
Contract cost: 80 hours per week, \$100,000 (approx per year)  
Description of work:  
FSD Hours - (80) per week. Monitor fire panel at main desk with  
Class E System.

Customer Name: Ruth & Company  
Address: 102 Madison Avenue, New York, NY  
Contact Name and Title: Lisa Dorfman  
Phone <sup>(212)</sup> 685-1554 and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date(s): March 2001 - Present  
Contract cost: 50 hours per week, \$60,000 (approx per year)  
Description of Work:  
FSD Hours - (50) per week. Monitor all Class E fire panel  
activity.

Customer Name: Silverstein Properties  
Address: 575 Lexington Avenue, New York, NY  
Contact Name and Title: Shari Gerlinger - Property Admin  
Phone and Fax Numbers of  
Contact: \_\_\_\_\_  
Contract date (s): October 2006 - Present  
Contract cost: 40 hours per week, \$55,000 (approx per year)  
Description of work: FSD Hours - (40) per week. Monitor all CLASS E  
Systems & conduct routine patrols of all floors  
& fire doors.



## **SECTION 2**

# **COST PROPOSAL FORM**



## **2. COST PROPOSAL FORM**

GSS has taken into account all aspects of compensation and has provided for a complete comprehensive pricing schedule. We have provided all necessary Cost Proposal forms and in developing our cost, we have referred to Section 10 in Part I of Attachment B which sets forth certain Hourly Wage and Supplemental Benefit Requirements applicable to the employees performing the services under this contract.

**Cost Proposal Form**  
**FIRE SAFETY DIRECTOR SERVICES**  
*Estimated Items*  
**First Year**

	<u>Estimated Annual Hours</u>	x	<u>Hourly Charges</u>	=	<u>Estimated First Year Charge</u>
1. Senior Fire Safety (A) Director	2080		\$ <u>32.10</u>	=	\$ <u>66,768.00</u>
2. Fire Safety Director	8760		\$ <u>29.18</u>	=	
					\$ <u>255,616.80 (B)</u>

	<u>Monthly Charge</u>	x	<u># of Months</u>	=	<u>First Year Charge</u>
3. Management Fee \$ <u>37,023.60 (C)</u>	\$ <u>3,085.30</u>		12 months	=	

**Estimated Annual Contract Charge-- First Year** = \$ 359,408.40 (D)  
**(A)+(B)+(C)=(D)**

Please note: No direct reimbursement is provided in the Contract for among other things, uniforms, office supplies, office telephone service, wireless phones, certain training etc., and accordingly the Contractor should consider these costs in determining its hourly charges and Management Fees. Also in computing the hourly charges please refer to the section entitled "Wages and Supplemental Benefits."

The quantities set forth in the Cost Proposal Form are estimated only for the purpose of Proposal comparison. The Port Authority makes no representations as to what the actual quantities may be. The Contractor's compensation will be computed based solely on the actual services provided.

PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
SENIOR FIRE SAFETY DIRECTOR

**ITEM #1**

AVERAGE HOURLY DIRECT WAGES 26.28  
NUMBER OF EMPLOYEES

**ITEM #2**

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

NUMBER OF  
DAYS PROVIDED

HOLIDAY ALLOWANCE \$  
VACATION ALLOWANCE \$  
SICK TIME ALLOWANCE \$  
PENSION  
HEALTH Please see attached note  
WELFARE  
OTHER SUPPLEMENTAL BENEFITS  
SPECIFY Training \$  
SUB TOTAL (ITEMS #1 & 2) \$

**ITEM #3**

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A. \$ 2.16  
N.Y.S.U.I. \$ 0.22  
F.U.I. \$ 0.04  
WORKERS' COMPENSATION \$ 0.60  
GENERAL LIABILITY INSURANCE \$ 0.77  
DISABILITY INSURANCE \$ 0.06  
OTHER TAXES AND INSURANCE 0.00  
SPECIFY 0.00

**ITEM #4**

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MITCE/FUEL  
UNIFORMS \$  
EQUIPMENT \$  
MATERIALS  
SUPPLIES  
RELIEF  
ROLL CALL  
OTHER COMPONENTS NOT SPECIFIED ABOVE  
SPECIFY Drug Testing \$  
AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT \$  
TOTAL (ITEMS # 1, 2, 3 & 4) \$ 35.85

PROPOSAL NUMBER  
16333

PROPOSER NAME:  
GUARDIAN SECURITY SERVICE, INC.

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
FIRE SAFETY DIRECTOR

**ITEM #1**

AVERAGE HOURLY DIRECT WAGES 24.0493  
NUMBER OF EMPLOYEES

**ITEM #2**

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

NUMBER OF  
DAYS PROVIDED

HOLIDAY ALLOWANCE  
VACATION ALLOWANCE  
SICK TIME ALLOWANCE  
PENSION  
HEALTH Please see attached note  
WELFARE  
OTHER SUPPLEMENTAL BENEFITS  
SPECIFY Training

SUB TOTAL (ITEMS # 1 & 2)

**ITEM #3**

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A. 1.98  
N.Y.S.U.I. 0.20  
F.U.L. 0.04  
WORKERS' COMPENSATION 0.54  
GENERAL LIABILITY INSURANCE 0.70  
DISABILITY INSURANCE 0.05  
OTHER TAXES AND INSURANCE 0.00  
SPECIFY 0.00

**ITEM #4**

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)  
VEHICLE/MTCE/FUEL  
UNIFORMS  
EQUIPMENT  
MATERIALS  
SUPPLIES  
RELIEF  
ROLL CALL  
OTHER COMPONENTS NOT SPECIFIED ABOVE  
SPECIFY Drug Testing

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT

TOTAL (ITEMS # 1, 2, 3 & 4) 32.48

**Please Note: it is our experience than many of the guards do not sign up for health care. Instead of adding unused costs to the burden rate, Guardlan will offer health care and pass it on at an annual cost of: \$ 3,786.00 per guard**



## **SECTION 3**

# **MANAGEMENT AND CUSTOMER SERVICE PLAN**



### **3. MANAGEMENT AND CUSTOMER SERVICE PLAN**

**Please read below for a management and customer service plan which includes the following:**

#### **a) Mission Statement**

The company's mission and project objective is to provide a safe, reliable security guard program to PANYNJ with outstanding 24/7/365 customer support. GSS is:

- Available
- Reliable
- Accountable

Guardian Security Services embodies the characteristics of focused management, a customer driven philosophy, top quality people and extensive learning and development.

- Utilize best practices throughout the firm
- Nurture and develop a positive, creative team and workplace  
Reward and recognize service and excellence

#### **b) Recruitment and Training**

##### Recruitment

Guardian Security employees its own on staff recruitment team who takes every conceivable step to hire only the most qualified individuals into its ranks.



We use several tools to ensure a constant and available pool of candidates, such as:

- Internet job banks
- Newspaper Ads
- Associations
- Marketing
- Relations with other recruitment agencies

GSS has implemented one of the most extensive personnel screening processes in the industry. Guardian understands that only quality employees can provide quality service.

All new applicants must complete an:

- in-depth application
- extensive in person interview

Once an applicant is chosen, our on staff recruitment team

- carefully checks references
- conducts a psychological testing

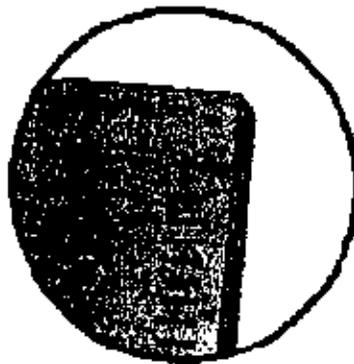
Guardian believes that psychological testing is an accurate gauge of job-related attitudes.

- Questions include:
- Beliefs and feelings about various types of behavior
- Attitudes about institutions, business, and supervisors
- Attitude towards theft.
- Attitude toward safety
- Attitudes towards drugs and alcohol

- Answers explore:
- Future behavior of the prospective employee
- Performance aptitude
- Appropriate job fits
- Response to supervision and adherence to company policy
- Tendencies toward courtesy, cooperation and customer service.

### Hiring, Training & Retraining

In order to retain the most highly qualified employees GSS has implemented the most comprehensive training program. Guardian established the Guardian Security Training School in 1994, at its headquarters in New York City. As a New York State certified training center, Guardian Security guarantees that our personnel are trained in the most up to date issues within the security service industry. Guardian's selective applicant process ensures that only personnel with exemplary backgrounds and skills are selected as security guard associates.



All security guards must be certified by the state approved Guardian Security School.

GSS has read and understands the training requirements and syllabi as stated in section 32, entitled Training provided by the Contractor, of the RFP document. We will provide each of our employees with:

- Initial Training (approx. five (5) working days)
- Customer Service Training
- Orientation Course

In addition to the initial training, all supervisory and management staff will undergo:

- *Leadership Training (approx. three (3) working days)*

GSS also provides for customary initial and ongoing training, in accordance with the New York Security Guard Act of 1992, to ensure seamless transition and flawless execution of each contract. All coursework is to be successfully completed by written examination in accordance with New York State law.

- 8 hours of pre-assignment orientation training for all personnel
- 40 hours of site-specific training for security guard associates
- 72 hours of initial on-site training for supervisors

Established personnel receive on-going instruction and undergo random spot-checks during announced and unannounced supervisor visits. GSS provides 3 – 4 hours per month of in-service training to all personnel as a quality improvement procedure.

Additional training materials include, but are not limited to:

- CPR and First Aid
- Emergency Response
- Security
- Legal issues
- Human & Public relations
- Communications
- Patrol
- Report Writing
- Safety
- Terrorism, Evacuation & Disaster Plans
- Facility Management





- Computer Security
- Investigative Security
- Access Control
- Ethics & Conduct
- Note Taking
- Relating to Management
- Building Security
- Search and Seizure
- High Rise Security
- Introduction of NYS Penal Law
- Protection of Occupants
- Crime Prevention
- Protection of Property
- Maintaining Neat Appearance,
- Fire Prevention & Protection
- Relating to Senior Citizens
- Concierge/Reception Security
- Public & Community Relations
- Offenses involving Property
- Offenses against people and theft
- Maintaining Professional Appearance

Our comprehensive, site-specific training program, recognized as the best in the industry, ensures our clients that the personnel assigned to the job have the knowledge and skills they need to effectively carry out day-to-day activities and respond to any unforeseen situations.



### **c) Retention Statistics – Turnover Ratios**

GSS, in an effort to secure a lifelong partnership with all its clients, strives to continuously improve its overall retention by utilizing a number of factors.

Within the security industry, the average turnover rate, on average, is 200% (As published by ASIS International- American Society for Industrial Security). GSS is proud to say that we average turnover rate of no higher than 90% and is our goal for the World Trade Center Temporary Path Station Fire Safety assignment.

GSS is able to retain our people, by offering them:

- 401k Plan
- Health Care benefits
- New uniforms
- Monthly Performance Awards
- Direct Deposit

The benefits listed above are what we believe are the very best offered in the security industry, and provide a security guard the entrenched benefits that keep them employed at GSS. Therefore, our average tenure of a security guard throughout our firm is seven years.

GSS has consistently experienced a low turnover rate among its associates. In seeking mutually beneficial partnerships, Guardian believes it fosters the best employer-employee relationships while promoting company-wide excellence. Guardian Security extends the team concept to its customers by providing them with direct access to Guardian's management team. Guardian believes that open and continuous communication builds the foundation for a unified partnership between customer and company.

GSS has is proud to say that our retention rate for Managerial office staff is 98% while non supervisory positions vary between 80-90%.



**d) Qualifications and Experience of Managerial Staff**

GSS has comprised a bio of all the member of our Management staff that will be readily accessible for the acquisition of any service related questions and/or concerns that are pivotal to the overall success of the security service program GSS provides at the WTC Path Station.

Please see below for our Principal's corporate biographies.

**SAMUEL HERZFELD**

Chief Executive Officer  
1165 Fifth Avenue  
New York, NY 10029

Home: (Ex. 1)  
Office: 212.645.9500

**EXPERIENCE**

1973 – Present GUARDIAN SERVICE INDUSTRIES, INC.  
161 Avenue of the Americas, New York, NY  
President

1977 – Present GUARDIAN SECURITY SERVICES, INC.  
President

1970 – 1973 Bishop Rosen, Inc.  
40 Wall Street  
Registered Representative

1968 - 1970 Shearson Hamill, Inc.  
1345 Avenue of the Americas  
Registered Representative

**EDUCATION**

1967 New York University  
Graduate School of Business



**ALAN BRESSLER**

Chief Operating Officer  
(Ex. 1)

Home: (Ex. 1)  
Office: 212.645.9500

**EXPERIENCE**

- 1980 – Present GUARDIAN SERVICE INDUSTRIES, INC.  
161 Avenue of the Americas, New York, NY  
Labor Relations, Tenant Sales & Chief Operating Officer
- 1980 – Present GUARDIAN SECURITY SERVICES, INC.  
Labor Relations, Tenant Sales & Chief Operating Officer
- 1979 – 1980 Bishop Rosen, Inc.  
40 Wall Street  
Registered Representative

**EDUCATION**

- 1975 – 1979 Ohio University  
BA in Psychology and History



**Richard A. Lifrieri, MBA**

Executive Vice President of Guardian Security Services

(Ex. 1)

Home: (EX. 1)

Office: 212.645.9500

**EXPERIENCE**

June 2006 – Present GUARDIAN SERVICE INDUSTRIES, INC., New York, NY

161 Avenue of the Americas, NY

Executive Vice President, Security Services Division

2004 – 2006

Command Security Corporation, New York, NY

General Manager

2001-2004

Barton Protective Services Inc., New York, NY

Director, Business Development

1996 - 2001

Airborne Express Corporation.

Senior Account Executive

1995-1996

Edward S. Gordon Co., White Plains, NY

Junior Broker

**EDUCATION**

Rochelle, NY

M.B.A- Financial Management- Iona College Hagan School of Business, New

BA – Public Administration- Iona College, New Rochelle, NY

Certificate for Real Estate Sales- New York University



## Steve Nelson

Operation Director of Guardian Security Services

(ex. 1)

(Ex. 1)

(212)645-9500

### EXPERIENCE

- 2005-Present GUARDIAN SECURITY SERVICES, INC.  
161 Avenue of the Americas, New York  
Security Director
- 1999-2005 GUARDIAN SECURITY SERVICES, INC.  
170 Varick Street, New York, NY  
Operations Manager
- 1995-1999 GUARDIAN SECURITY SERVICES, INC.  
170 Varick Street, New York, NY  
Operations Supervisor
- 1991-1995 GUARDIAN SECURITY SERVICES, INC.  
170 Varick Street, New York, NY  
Field Supervisor
- 1987-1991 GUARDIAN SECURITY SERVICES, INC.  
170 Varick Street, New York, NY  
Site Supervisor
- 1985-1987 GUARDIAN SECURITY SERVICES, INC.  
170 Varick Street, New York, NY  
Security Officer

### EDUCATION

- 2005 John Jay College, New York, NY, Security Management Certificate
- 1980-1982 University of Panama  
Electrical Technology



**e) Project Specific Organization Chart**

GSS has provided a project organization chart showing the proposed amount of staff and operational employees needed to execute this contract.

**f) Customer Service Standards**

Guardian Security Services is a 24/7 operational support mechanism with our headquarters offices located at 161 Avenue of the Americas, New York, NY 10013

Guardian Security Services understand the need for live communication between our officers and office staff as well as our customers. Upon being awarded this contract, GSS will provide for a *dedicated PANYNJ line* as an addition to our state of the art Customer Support Center, which has the ability to:

- Answer client/officers needs
- Available in all time zones
- Scheduling and reassigning of all personnel
- Assigning of extra coverage
- Video surveillance of customer locations
- Dispatching field personnel
- Providing a reliable, knowledgeable and well trained staff that understands Guardian Security Services and our core principles

Our specially trained dispatch staff answers an average of over 1000 calls per day, interfacing with issues pivotal to the continued success of our organization. Our staff is a group of dedicated individuals that provide service with a smile and treat each officers and client as if they are the top priority. With the presence of our Customer Support Center, we are confident in our abilities to support the Security Officer and Clients with time, insight and professionalism that far exceeds any in the industry.



## G ) Quality Control of Customer Service

United Partnerships

**Quality**

Attention to Detail

**Improvement**

Dynamic Changes

**Program**

Customer Retention

Through our Quality Control Program, Guardian Security has witnessed an ever-increasing improvement in productivity. Guardian Security is committed to continuing this trend by implementing dynamic changes as we move through the beginning of the 21st century.

As a value-added service, GSS conducts ongoing:



- Audits of building security master plans to continuously revise and update Post Orders via our web based work management system.
- Open communication with Building Managers to evaluate and re-define, if necessary, master plans for each site
- Reviews and job performance evaluation for its supervisors and security guard associates
- Updates to meet demand by staying well informed of new developments through seminars, training, and direct relationships with applicable local, state and federal agencies.
- New technologies that aim to provide more complete and efficient security services

GSS maintains an outstanding customer retention rate in its security services contracts as evidenced by its long-term relationships. *Guardian's exemplary performance and service has been responsible for the fulfillment of 100% of its contracts through to completion.*

*Guardian Security's demanding project management system ensures that PANYNJ's needs are met thoroughly, appropriately and completely.*

**h) Advance technology and extras**

In an effort to create a unified partnership, Guardian's use of technology ensures that we are never "out of touch" but rather in "constant communication" with our customers, supervisors, security guard associates, and top-level management.



Guardian Security is constantly integrating new technologies in an effort to deliver results in a more effective and efficient manner. In reevaluating a building master security plan, GSS seeks out and identifies redundant, inefficient and outdated practices and equipment. This security assessment yields recommendations for the implementation of automated security measures, which serve the needs of all involved.

**Customer Support Center:**

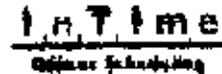
- Answer client/officers needs
- Available in all time zones
- Scheduling and reassigning of all personnel
- Assigning of extra coverage
- Video surveillance of customer locations
- Dispatching field personnel
- Providing a reliable, knowledgeable and well trained staff that understands Guardian Security Services and our core principles



### Officer Scheduling:

GSS emphasizes its commitment to efficiency by utilizing In Time Officer Scheduling Solutions software to:

- Match security guard associates to their posts
- Cuts operating costs by
- Delivers a powerful, affordable and efficient scheduling

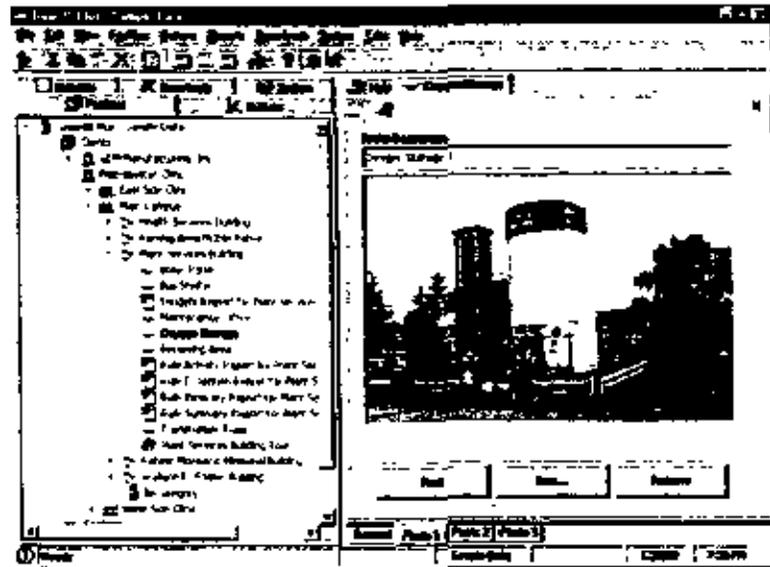


### Guard Tracking:



Guard 1 Plus is a scanning tool that allows us and our customer to have a real time look at what their guards are doing. The software allows for:

- Professional reports
- Rules-Based reporting
- Identify missed locations
- Custom reports and batch reports
- Support for pictures and maps



### Biometric Time Clock



Biometric time clocks provide the most accurate data collection solution available by ensuring that employees must be present in order to record a punch. Using field-proven hand geometry biometric technology, biometric time clocks scan the size and shape of your employees' hands to verify their identities each time they punch.

- Installed at convenient locations
- Punching is performed using biometric hand scans, periodically uploaded
- Unparalleled accuracy and reliability
- Improved security, accuracy, speed, and convenience
- Improved Payroll Accuracy
- Eliminates "buddy-punching"
- Reduces labor costs
- Reduced time required to prepare payroll
- Increases efficiency and profitability.



- Identity Verification and Access Control
- "According to the Transportation Security Administration, hand geometry is the only biometric technology that has proven to be effective for employee access control at airports."

**Web-Based Work Management:**



- Secure Filing and Maintenance of Reports
- 24/7/365 Availability
- Training Accessibility
- Communication

**i) M/WBE Plan**

Guardian Security Service is currently enrolled in our own program for minority partnering. We recruit for, use W/MBE and are partners with square business products. Guardian Security will utilize any other form of minority partnering as requested by our client. For more information regarding our W/MBE program please refer to Section I of our proposal.

**ii) Certified Environmental Preferable Products/ Practices**

Please refer to Exhibit 8 (Certified Environmental Preferable Products/Practices). This document ensures compliance with all applicable federal, state and local standards in their business practices, in accordance with the Certified Environmentally Preferable Products/ Practices Provision.



**k) Fleet Management & Replacement and Payroll Processing**

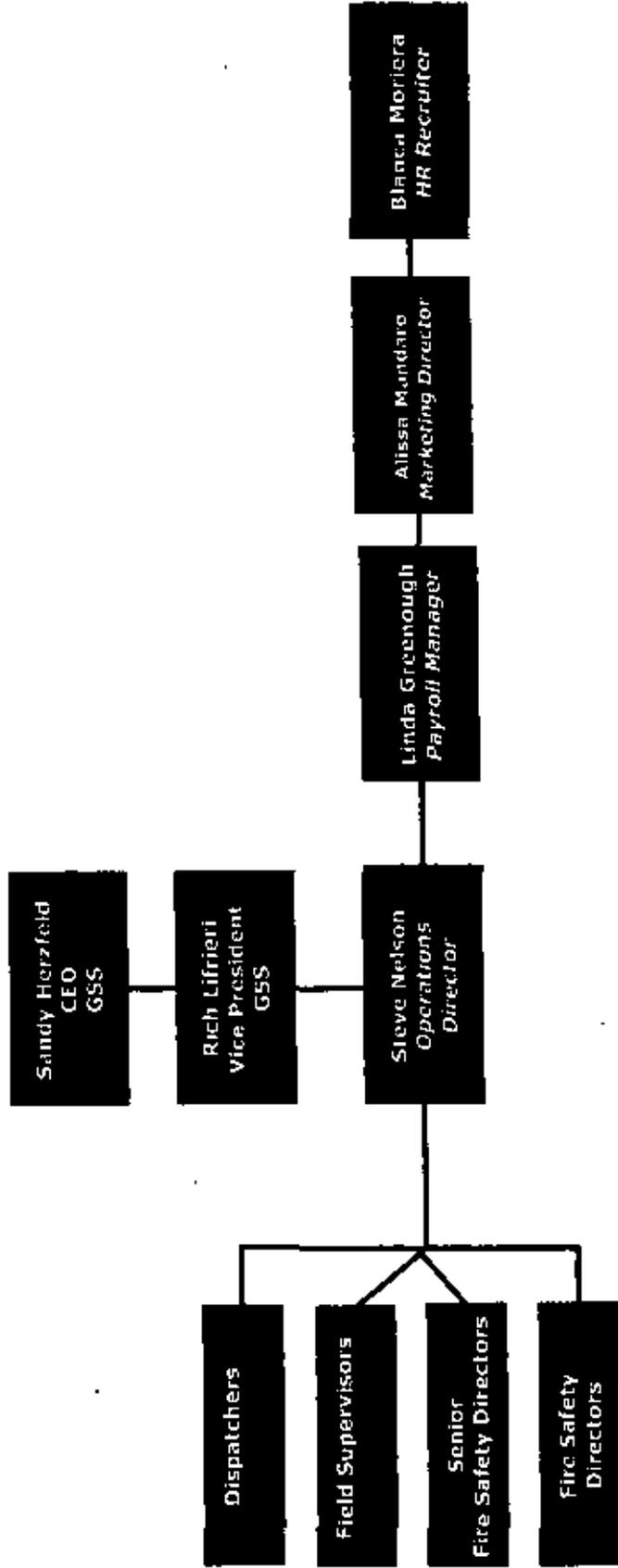
GSS through its stellar management, unparalleled skilled employees, state of the art training and recruiting and ever changing technology has demonstrated its commitment and relentless pursuit to ensure proper selection and seamless transitions for the Class A real estate community and now the PANYNJ. Its proof is in our capabilities lies primarily in the continuity it provides between its employees and management staff as well as mission to provide a premium security service that exceed all PANYNJ's expectations and position Guardian Security Services as a preferred vendor for all security/ facilities services. Our goal is to provide the best "MASTER COMMUNICATORS" we can to ensure full integration. Please refer to our Training and our Customer service and benefits section of the proposal.

Payroll Processing is conducted through Paychex Corporation. This company has provided GSS with proprietary time-keeping to payroll software which allows our firm the ability to match set schedules with pay rates to ensure our weekly payroll is flawless.



# Guardian Security Services Division Organizational Chart

## Fire Safety Director Services



**EXHIBIT 8 - Certified Environmentally Preferable Products/Practices**

Bidder/Proposer Name: GUARDIAN SECURITY SERVICES Date: 9/9/08

In line with the Port Authority's efforts to promote products and practices which reduce our impact on the environment health, Bidders/Proposers are encouraged to provide information regarding their environmentally preferable/sustainable practices as they relate to this contract wherever possible. Bidders/Proposers must complete this form and submit it response, if appropriate. Bidders/Proposers must submit appropriate documentation to support the items for which the Bid indicates a "Yes" and present this documentation in the proper sequence of this Attachment.

**1. Packaging** THIS IS NOT APPLICABLE TO GUARDIAN SECURITY SERV

Has the Bidder/Proposer implemented any of the following environmental initiatives? (A checkmark indicates "Yes")

- Use of corrugated materials that exceed the EPA recommended post-consumer recycled content
- Use of other packaging materials that contain recycled content and are recyclable in most local programs
- Promotes waste prevention and source reduction by reducing the extent of the packaging and/or offering packaging take-back services, or shipping carton return
- Reduces or eliminates materials which have been bleached with chlorine or chlorine derivatives
- Eliminates any packaging that may contain polyvinyl chloride (PVC), or polystyrene or heavy metals

If yes, a description of the practices being followed must be included with the submission.

**2. Business Practices / Operations / Manufacturing**

Does the Bidder/Proposer engage in practices that serve to reduce or minimize an impact to the environment, including, but no limited to, the following items? (A checkmark indicates "Yes")

- Recycles materials in the warehouse or other operations
- Use of alternative fuel vehicles or vehicles equipped with diesel emission control devices for delivery or transportation p
- Use of energy efficient office equipment or signage or the incorporation of green building design elements
- Use of recycled paper (that meets federal specifications) in their marketing and/or resource materials
- Other sustainable initiative

If yes, a description of the practices being followed must be included with the submission.

**3. Training and Education**

Does the Bidder/Proposer conduct/offer a program to train or inform customers and employees of the environmental benefits of to be offered under this contract, and/or does the Bidder/Proposer conduct environmental training of its own staff?

- Yes       No      If yes, Bidder/Proposer must attach a description of the training offered and the spe targeted by the training.

**4. Certifications**

Has the Bidder/Proposer or any of its manufacturers and/or subcontractors obtained any of the following product / industry (A checkmark indicates "Yes")

- ISO 14000 or adopted some other equivalent environmental management system
- Other industry environmental standards (where applicable), such as the CERES principles, LEED Certification, C Responsible Care Codes of Practice or other similar standards
- Third Party product certifications such as Green Seal, Scientific Certification Systems, Smartwood, etc.

If yes, Bidders/Proposers must attach copies of the certificates obtained.

**5. Other Environmental Criteria**

Bidders/Proposers are encouraged to respond to criteria specifically indicated in this Bid/RFP as "Management Approach" (appropriate documentation) to receive consideration in the evaluation.

I hereby certify, under penalty of the law that the above statements are true and correct.

\_\_\_\_\_ Name \_\_\_\_\_ Date



## **SECTION 4**

# **WAGE AND SUPPLEMENTAL BENEFITS PLAN**

## 4. WAGE AND SUPPLEMENTAL BENEFITS PLAN

GSS has ensured that we have allotted to compensate all positions at the WTC Temporary Path Station. GSS, in an effort to ensure that all seniority is rewarded and recognized has developed a matrix (Listed Below) that rewards individuals predicated on accomplishments and continuous time served:

Time Served	Reward
(6) Months of uninterrupted service	\$50.00 AMEX Certificate, Newsletter Mention
(6)Months of uninterrupted service and Perfect Attendance	\$100.00 AMEX Certificate, Perfect Attendance Plaque, Newsletter Spotlight
(1) Year of uninterrupted service	\$100.00 Amex Certificate, Newsletter Mention
(1) Year of uninterrupted service+ Perfect Attendance	\$150.00 AMEX Certificate, Perfect Attendance Plaque, Newsletter Spotlight
(2) Years of uninterrupted service	\$200.00 Amex Certificate, Newsletter Mention, (2) Year Pin with ruby gemstone.
(2) Years of uninterrupted service	\$250.00 Amex Certificate, Newsletter spotlight, Perfect Attendance Plaque, (2) year Pin with (2) ruby gemstones.
(3) Years of uninterrupted service	\$300.00 Amex Certificate, Newsletter Mention, (3) Year Pin with (1) ruby gemstone.
(3) Years of uninterrupted service	\$350.00 Amex Certificate, Newsletter spotlight, Perfect Attendance Plaque, (3) year Pin with (2) ruby gemstones, \$1000.00 Tuition Reimbursement.
(4) Years of uninterrupted service	\$400.00 Amex Certificate, Newsletter Mention, (4) Year Pin with (1) ruby gemstone.
(4) Years of uninterrupted service	\$500.00 Amex Certificate, Newsletter spotlight, Perfect Attendance Plaque, (4) year Pin with (1) Diamond.

We have successfully completed the "Calculation of Hourly Rate" form which is attached in this section. We have also included the detailed description for single medical coverage's.



## **SECTION 5**

# **CONTRACTOR'S AUDIT PROGRAM**

## 5. CONTRACTOR'S AUDIT PROGRAM



The foundation of GSS's commitment to quality control is our industry leading utilization of our in-time scheduling software system that tracks all personnel with corresponding time worked, Pay Rate, Bill Rate and our bio-matrix scanning systems we provide each location that ensures specific information on the actual time worked per tour, per officer and allows for a flawless payroll cycle with the internal data as specified on the inception of service, as per our RFP numbers stated in the pricing section.

Drawn from the best practices of high technology, combined with our internal productivity experts, GSS utilizes these methodologies specifically with the intent of capturing measurable performance data in order to assess real service delivery.

*In addition this system will be reviewed weekly by both the Executive Vice President of the Security Guard Division as well as the Operations Director to ensure flawless execution of payroll procedures.*

The Payroll system is prepared in such a way for audits at any time by the PANYNJ to ensure we are in full compliance and alleviate any worries that the wages and supplemental benefits promised our people are adhered to.

Benefits of our procedures:

- Greater employee retention
- Less turnover
- A Solid Partnership with our clients
- Complete integration between payroll and billing to eliminate errors



- Weekly reviews by Executive Management
- Weekly results with Monthly reporting to the client

In summation, our plan demonstrates clearly a set of defined methodologies and technological tools that assist us in ensuring correct wages and benefits for our people and a path to customer and employee satisfaction, thus the most important thing to the PANYNJ.

GSS has utilized as part of their Quality Control mechanism a Customer Service Report which is a measuring tool to grade GSS on our performance. Unlike other performance scorecards, where negative results can be covered up, the Customer Service Report allows the customer to grade us on a slide 0-5 scale, with 3 or high being acceptable. This report provides a quantifiable analysis of 10 critical service areas. This system allows for all results, even negative to be viewed as a barometer to consistently improve service delivery.

Questions asked in report:

- Is the security personnel on time in uniform consistently?
- Is the uniform of the security personnel clean and aesthetically appealing as per PANYNJ's expectations?
- Do the Fire Safety Directors understand Fire Life Safety Guidelines while on duty?
- Do the FSD personnel exhibit a willingness to take initiative during their tours?
- Do the FSD personnel follow all Post Orders as outlined by GSS & the PANYNJ?
- Does Executive Management for GSS tour and visit facility weekly to ensure continued service excellence?
- Are all reports furnished by GSS clear, correct and helpful for Quality assurance?
- Overall how do you rate GSS's performance?



- GSS believes its Customer Service Reporting system is a distinguishing tool and yet another positive values added benefit that assures the PANYNJ of full service excellence.



## **SECTION 6**

**CONTRACTOR IDENTITY/**

**BACKGROUND CHECKS**

## **6. CONTRACTOR IDENTITY/ BACKGROUND CHECKS**



Guardian Security takes every conceivable step to hire only the most qualified individuals into its ranks. We have implemented one of the most extensive personnel screening processes in the industry. Guardian understands that only quality employees can provide quality service. All staff members will be background checked and drug tested through Sterling Testing and our security

department in accordance with PANYNJ standards.

Sterling Testing Systems provides the PANYNJ with the most accurate county, state, and federal criminal conviction searches to ensure your applicant does not pose a risk to your company or co-workers. Their thorough search is based on where the applicant has lived, worked, or attended school in the past seven years, using all names provided by the applicant or developed from other sources. A supplemental service to Sterling's criminal records search, the Nationwide Criminal Search accesses our proprietary criminal database to seek out "vacationing criminals." They search against records collected from all over the country, including state Department of Corrections and county criminal court records.



## **SECTION G**

# **ACKNOWLEDGEMENT OF ADDENDA**



## **ACKNOWLEDGEMENT OF ADDENDA**

GSS has completed and signed all Addenda that have been issued for this bid. Please see the attached documents for the attached Addenda.



**THE PORT AUTHORITY OF NY & NJ**

**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
PURCHASING SERVICES DIVISION  
ONE MADISON AVENUE 7<sup>TH</sup> FL.  
NEW YORK, NY 10010**

**Date: September 4, 2008**

**ADDENDUM #1**

**To prospective Proposers on RFP # 0000016333, titled FIRE SAFETY DIRECTOR SERVICES AT THE TEMPORARY PATH WORLD TRADE CENTER STATION.**

**DUE BACK ON SEPTEMBER 10, 2008 NO LATER THAN 2:00 PM**

**The following changes are hereby made in the documents:**

**1. Add the following language as noted:**

Attachment B, Part I, Section 23. "Qualifications of Employees" B.19) All contractors are required to have a Secure Workers Access Consortium (S.W.A.C.) Card before access to the WTC site will be allowed. The S.W.A.C. Card application process requires that the contractor's employees pass a background check given by the Secure Workers Access Consortium. The cost of acquiring and processing of the S.W.A.C. Card will be the responsibility of the Contractor. S.W.A.C. can be reached at Tel. 856 810 0235 or FAX 856 810 0240 or email [nphelps@secureworker.com](mailto:nphelps@secureworker.com)

**2. PROPOSER QUESTIONS AND ANSWERS**

The following information is made available in response to questions submitted by Proposers to the Port Authority of New York and New Jersey (Port Authority). It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposer does not mean or imply, nor should it be deemed to have any meaning, construction or implication with respect to the terms and provisions of the Proposal, which will be construed without reference to such questions.

**Q.1. Will the Port Authority provide a list of contractors participating in this RFP?**

**A.1. No.**

Q.2. Who is the incumbent vendor, and what are the bill rates for Fire Safety Director and Senior Fire Safety Director?

A.2. Summit Security Services, Inc.; Fire Safety Director Billing Rate: \$33.67;  
Senior Fire Safety Director Billing Rate: \$36.93

Q.3. Can the Port Authority provide information with regard to the current wage and supplemental benefits being paid to the Senior Fire Safety Director, and Fire Safety Directors on the existing contract?

A.3. Fire Safety Director Direct Wage Rate: \$ 22.81 plus \$7.15 supplemental benefits.  
Senior Fire Safety Director Direct Wage Rate: \$25.51 plus \$7.88 supplemental benefits

Q.4. Can the Port Authority provide information as to whether or not employees of the incumbent vendor are covered by a collective bargaining agreement?

A.4. Affiliate with the Allied International Union located at Willis Avenue, Mineola, NY 11501.

Q.5. Please clarify whether or not participants in the RFP process are required to possess a Security Guard license.

A.5. No.

Q.6. Will staff assigned to the contract be required to pass the on-site examination as is customary pursuant to Local Law 5 for Fire Safety Directors?

A.6. No, this is not a Class E building.

Q.7. What holidays are recognized by PATH

A.7. The Fire Safety Director is a 24/7 position. See RFP Part II, Standard Contract Terms and Conditions – PATH, Section 40. "Holidays."

Q.8. Section 17 states that vendors must provide Automobile Liability Insurance in the amount of \$2 million combined single limit. It does not appear that autos will be required for this contract. Will the auto insurance still be required?

A.8. Automobile Liability will not be required.

All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

**ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.**

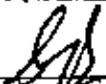
**THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.**

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER  
TECHNOLOGY & OPERATIONAL PROCUREMENT SERVICES DIVISION

PROPOSER'S FIRM NAME: Guardium Security Services

INITIALED: 

DATE: September 10, 2003

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO JEANETTE SANTOS OR RICHARD GREHL, WHO CAN BE REACHED AT (212) 435-3930 OR 3941, RESPECTIVELY.



## **SECTION H**

# **ACCEPTANCE OF TERMS AND CONDITIONS**



## **ACCEPTANCE OF TERMS AND CONDITIONS**

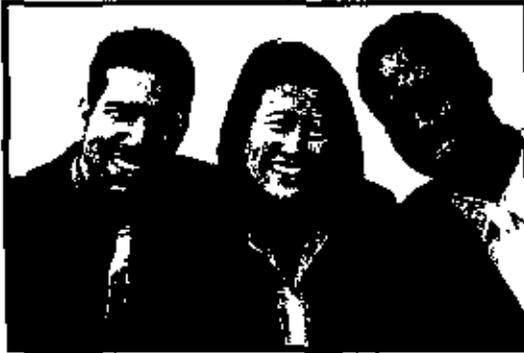
Guardian Service Industries is in receipt of attachment B of the RFP documents and agrees to all of the standard contract terms and conditions as noted, with no exceptions.



## **SECTION I**

### **W/MBE PLAN**

## M/WBE PLAN



GSI is committed to developing mutually advantageous business relationships with small businesses and firms owned and operated by minorities, women and the physically challenged. We seek the best valued, highest quality products and services by encouraging competition among all suppliers.

It is our desire to select the supplier who delivers the best overall value; value that consists of competitive pricing, technological foresight, information management, and continuous and proactive support of products and services.

We are committed to actively seeking goods and services from minority, women, physically challenged and small businesses. We strive to enhance our supplier base to reflect the markets we service.

Guardian defines diverse businesses as minority, women, physically challenged or small businesses meeting the following criteria:

- **MINORITY BUSINESSES**

Minority business enterprises (MBE's) are defined as businesses that are at least 51% owned and operated by a minority individual or group. Under this definition, minority group members include African Americans, Asian Americans, Native Americans (i.e. American Indians, Eskimos, Aleuts, and Native Hawaiians), and Polynesian Americans. Also included are multi-ethnic businesses, where no one specific group has a 51% ownership or control of the business but, in aggregate, the groups exceed the 51% rule.



- **WOMEN BUSINESSES**

Women business enterprises (WBE's) are defined as businesses that are at least 51% owned and operated by one or more women.

- **PHYSICALLY CHALLENGED BUSINESSES**

To qualify as a physically challenged business (DBE) an enterprise must be either: A) at least 51% owned by one or more physically challenged individuals, B) a subsidiary that is wholly owned by a parent corporation with at least 51% of the parent corporation voting stock owned by one or more physically challenged individuals, or C) a joint venture in which at least 51% of the management, control and earnings are held by one or more physically challenged individuals.

- **SMALL BUSINESSES**

Small businesses are defined as concerns that have a number of employees and/or average annual receipts not exceeding the size standards as defined under the Federal Acquisitions Regulations.

#### **Certification Requirements**

Validation of a supplier's diverse status is required for participation in the Guardian Service Supplier Diversity Program. Certification documents from the following qualified agencies are acceptable:

- National Minority Supplier Development Council (NMSDC) or its affiliates
- National Association of Women Business Owners (NAWBO)
- Women's Business Enterprise Council (WBENC)



- United States Small Business Administration (SBA)
- City, State, or Federal Certification Agencies

### **Program Registration**

Diverse companies that meet the criteria outlined above have an opportunity to apply to deliver goods and services to Guardian Service and our customers. To be considered for a contracting opportunity through our Supplier Diversity Program, you will need to complete the following steps.

Provide proof of your company's diverse status, by submitting a copy of your current certificate from one or more qualified agencies listed in "Certification Requirements" section above.

*Mail your completed Supplier Profile Form and copy of diverse status validation to:*  
GUARDIAN SECURITY SERVICE INC. 161 Avenue of the Americas New York, NY 10013  
Attn: Eric Morell 212-645-9500 Ext. 104

GUARDIAN SECURITY SERVICE INC. cannot guarantee that all diverse suppliers who submit applications will become suppliers. However we are committed to working with qualified suppliers who fully meet the criteria set in our Supplier Diversity program. All suppliers who apply will receive, within one month, a letter providing status of their submittal.

### **Commodities We Purchase**

Guardian has a broad array of buying needs with requirements that can vary greatly depending on location, operation and/or business. Below are a sampling of goods and services currently procured from diverse suppliers:



- Automobiles
- Facilities
- Marketing
- Office Supplies
- Uniforms
- Printing
- Professional Services
- Staffing
- Technologies
- Telecommunications

### **Second Tier Relationships**

GSS has a strong commitment to diversity within the workplace, as well as in our Customer and Supplier base. As a company, we have created councils to educate employees and processes, which enhance our involvement with diverse companies.

To further strengthen this commitment, we request that our majority suppliers actively participate in our Supplier Diversity initiative by seeking tier two relationships with, and committing a percentage of expenditures to, minority, women, physically challenged and small businesses. This participation demonstrates added value on the part of our majority suppliers.

Guardian constantly updates and notifies all participants about future opportunities via email and mail notification process.



**THE PORT AUTHORITY OF NY & NJ**

**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY  
PURCHASING SERVICES DIVISION  
ONE MADISON AVENUE 7<sup>TH</sup> FL.  
NEW YORK, NY 10010**

**Date: September 3, 2008**

**ADDENDUM #1**

**To prospective Proposers on RFP # 0000016333, titled FIRE SAFETY DIRECTOR SERVICES AT THE TEMPORARY PATH WORLD TRADE CENTER STATION.**

**DUE BACK ON SEPTEMBER 10, 2008 NO LATER THAN 2:00 PM**

**The following changes are hereby made in the documents:**

1. Add the following language as noted:

Attachment B, Part I, Section 23. "Qualifications of Employees" B.19) All contractors are required to have a Secure Workers Access Consortium (S.W.A.C.) Card before access to the WTC site will be allowed. The S.W.A.C. Card application process requires that the contractor's employees pass a background check given by the Secure Workers Access Consortium. The cost of acquiring and processing of the S.W.A.C. Card will be the responsibility of the Contractor. S.W.A.C. can be reached at Tel. 856 810 0235 or FAX 856 810 0240 or email [nphelps@secureworker.com](mailto:nphelps@secureworker.com)

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All Proposers are once again advised that their Proposal shall be based solely upon the written Proposal Booklet and any formal Addenda issued by the Port Authority. Therefore, no other form of communications such as, but not limited to, verbal comments, whether or not electronically recorded, shall be considered a part of the Request for Proposal Documents or relied upon by prospective Proposers.

**ALL OTHER TERMS AND CONDITIONS SHALL REMAIN THE SAME.**

**THIS COMMUNICATION SHOULD BE INITIALED BY YOU AND ANNEXED TO YOUR PROPOSAL UPON SUBMISSION.**

IN CASE ANY PROPOSER FAILS TO CONFORM TO THESE INSTRUCTIONS, ITS PROPOSAL WILL NEVERTHELESS BE CONSTRUED AS THOUGH THIS COMMUNICATION HAD BEEN SO PHYSICALLY ANNEXED AND INITIALED.

PORT AUTHORITY OF NY & NJ

LARRY WAXMAN, MANAGER  
TECHNOLOGY & OPERATIONAL PROCUREMENT SERVICES DIVISION

PROPOSER'S FIRM NAME: \_\_\_\_\_

INITIALED: \_\_\_\_\_

DATE: \_\_\_\_\_

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO JEANETTE SANTOS OR RICHARD GREHL, WHO CAN BE REACHED AT (212) 433-3930 OR 3941, RESPECTIVELY.



# **THE PORT AUTHORITY OF NY & NJ**

**PURCHASING SERVICES DIVISION  
ONE MADISON AVENUE, 7<sup>TH</sup> FL.  
NEW YORK, NY 10010**

## **REQUEST FOR PROPOSALS**

**TITLE: FIRE SAFETY DIRECTOR SERVICES AT THE TEMPORARY  
PATH WORLD TRADE CENTER STATION**

**NUMBER: 16333**

**SUBMIT PROPOSALS BEFORE THE DUE DATE AND TIME TO THE ABOVE  
ADDRESS**

**PROPOSAL DUE DATE: September 10, 2008**

**TIME: 2:00 PM**

**QUESTIONS SHOULD BE**

**SUBMITTED BY: August 21, 2008**

**TIME: 2:00 PM**

**(**

**PRE-PROPOSAL MEETING: August 22, 2008**

**TIME: 10:00 AM**

**BUYER NAME: Jeanette Santos**

**PHONE#: (212) 435-3930**

**FAX#: (212) 435-3959**

**FIRE SAFETY DIRECTOR SERVICES  
AT THE PORT AUTHORITY TRANS-HUDSON CORPORATION'S TEMPORARY  
WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK**

**REQUEST FOR PROPOSAL**

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**Attachment A - Agreement on Terms of Discussion**

**Attachment B – Contract Terms and Conditions for Facility Services**

**PART I Contract Specific Terms and Conditions**

**PART II Standard Contract Terms and Conditions**

**PART III Cost Proposal Form**

## **List of Exhibits**

- Exhibit 1** Proposer Reference Form
- Exhibit 2** Calculations of Hourly Rate Forms
- Exhibit 3** Uniform Specifications
- Exhibit 4** **Not Applicable**
- Exhibit 5** Customer Service Requirements and Customer Well Being Program
- Exhibit 6** M/WBE Participation Plan
- Exhibit 7** Statement of Subcontractor Payments
- Exhibit 8** *Certified Environmentally Preferable Products/Practices*

## **1. INFORMATION FOR PROPOSERS**

### **A. General Information: The Port Authority of New York and New Jersey**

The Port Authority of New York and New Jersey ("Port Authority" or "the Authority") is a municipal corporate instrumentality and political subdivision of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. The Port Authority is a financially self-supporting public agency that receives no tax revenues from any state or local jurisdiction and has no power to tax. The revenues of the Port Authority are derived principally from the tolls, fares, landing and dockage fees, rentals and other charges for the use of, and privileges at, certain of the Port Authority's facilities. The Port Authority, together with its wholly-owned entities, provides the region with an integrated transportation and trade services and operates facilities in connection therewith, including, but not limited to, two tunnels and four bridges between the States of New York and New Jersey, the Port Authority Trans-Hudson (PATH) rapid rail transit system, the World Trade Center Site and Transportation Hub, a bus terminal, the Trans-Hudson ferry service, five airports, a heliport, the Newark Legal and Communications Center, six marine terminals, two waterfront development facilities, the Oak Point Rail Freight link, four industrial development facilities, a resource recovery facility and certain regional development facilities in the Port District.

Port Authority Trans-Hudson Corporation (PATH) was established in 1962 as a subsidiary of the Port Authority. It is a primary transit link between New York City and neighboring New Jersey urban communities and suburban commuter railroads. PATH carries over 70% of passengers entering New York City by rail from New Jersey, with approximately 200,000 passengers each weekday, with two-thirds traveling during the morning and evening peak periods.

PATH is hereby seeking proposals from qualified firms to provide seven (7) days twenty-four (24) hour Fire Safety Director service, hereafter the "Service", as more fully described herein, at the PATH Temporary World Trade Center Station (hereinafter referred to as "PATH Temporary WTC Station"), located in Manhattan, New York.

### **B. Brief Summary of Scope of Work**

The Port Authority acting on behalf of PATH is hereby seeking proposals from qualified firms to provide Senior Fire Safety Director and Assistant Fire Safety Director Services, and to furnish all labor, supervision, uniforms, equipment, including materials and supplies, and to do all other things necessary or proper therefore or incidental thereto, all in accordance with the provisions of the Contract, and the Contractor further agrees to assume and perform all other duties and obligations imposed upon it by the Contract (hereinafter the "Service") at the PATH Temporary WTC Station, Manhattan, New York.

It is expected that the Contract will commence on or about December 1, 2008, and will be in effect for a three (3) year term with two, one-year extension options and one hundred twenty day extension option subject to earlier termination by the PATH as provided in the Form of Contract.

It is anticipated (but not guaranteed) that the Contractor will have a minimum period of thirty (30) calendar days from the date of Contract award to the commencement date of the Contract to prepare and provide the Service including, but not limited to, procurement of all necessary labor and supervision, training, equipment, uniforms and necessary background investigations. The Proposer should refer to Attachment "B" Part I for a full description of services required under the Contract.

**C. Deadline for Receipt of Proposals**

The due date specified on the cover page is the Proposal Due Date. Closing of due date is 2:00 P.M. The Port Authority assumes no responsibility for delays caused by any delivery service.

**D. Submission of Proposals**

One double-sided reproducible original (containing original signatures and clearly designated as such) and twelve (12) copies of the proposal must be submitted on or before the due date and time in accordance with the information on the cover page of this RFP and sent or delivered to the address specified on the cover page. Each copy of the Proposal as well as the parcel(s) used for shipping must be conspicuously marked with the Proposer's name and address along with the title of this RFP, this RFP number and the Proposal Due Date.

**E. Communications Regarding this RFP**

All communications concerning this RFP should be directed to the Buyer listed on the cover page. All questions regarding this RFP must be submitted in writing to the Buyer at the address or facsimile number listed on the cover page no later than 3:00 p.m. (Eastern Time) on August 21, 2008.

The Buyer is authorized only to direct the attention of prospective Proposers to various portions of this RFP so that they may read and interpret such portions themselves.

Neither the Buyer nor any other employee of the Port Authority acting on behalf of PATH is authorized to interpret the provisions of this RFP or give additional information as to its requirements. If interpretation or other information is required, it will be communicated to Proposers by written addenda and such writing shall form a part of this RFP.

#### **F. Proposal Acceptance or Rejection**

Acceptance shall be only by mailing to or delivering at the office designated by the Proposer in its proposal, a notice in writing signed by an authorized representative on behalf of the Port Authority acting on behalf of PATH specifically stating that the proposal is accepted or by execution of an agreement covering the subject matter of this RFP signed by authorized representatives of the Port Authority acting on behalf of PATH and the Proposer. No other act of the Port Authority acting on behalf of PATH, its Commissioners, officers, agents, representatives, or employees shall constitute acceptance of a proposal. Rejection of a proposal shall be only by either (a) a notice in writing specifically stating that the proposal is not accepted, signed by an authorized representative of the Port Authority acting on behalf of PATH and mailed to or delivered to the Proposer at the office designated in the Proposal, or (b) omission of the Port Authority to accept the proposal within 180 days after the Proposal Due Date. No other act of the Port Authority or PATH, its Commissioners or Directors, officers, agents, representatives or employees shall constitute rejection of a proposal.

#### **G. Pre-Proposal Meeting(s)/Site Inspection(s)**

1. A Pre-Proposal Meeting is scheduled August 22, 2008 at 10:00 AM at the PATH Temporary WTC Station. Any questions concerning this RFP should be submitted in writing prior to the meeting so that the Port Authority acting on behalf of PATH may prepare responses in advance of the meeting. Additional questions may be permitted at the meeting; however, responses may be deferred and provided at a later date by written addenda.
2. Attendance is strongly recommended. Information conveyed may be useful to Proposers in preparing their proposals and Proposers not attending assume all risks which may ensue from non-attendance. Attendees interested in attending shall RSVP by contacting Kenneth Bransky, (201) 216-6212 no later than 12 noon (Eastern Time) of the business day preceding the scheduled date(s) to confirm their attendance and/or receive traveling directions.

**TWO VALID FORMS OF PHOTO I.D. ARE REQUIRED TO ATTEND THE PRE-PROPOSAL MEETING AND FACILITY INSPECTIONS.**

#### **H. City of New York Payroll Tax**

Proposers should be aware of the payroll tax imposed by the City of New York, New York for services performed in New York, New York. This tax, if applicable, is the sole responsibility of the Contractor. Proposers should consult their tax advisors as to the effect, if any, of this tax. The Port Authority provides this notice for informational purposes only and is not responsible for either the imposition or administration of such tax. The Port Authority exemption set forth in the Section of this RFP entitled "Sales or Compensating Use Taxes" included in Part II of Attachment B entitled, "Standard Contract Terms and Conditions" does not apply to this tax.

## **I. Union Jurisdiction**

Proposers are advised to ascertain whether any union now represented or not represented at the facilities will claim jurisdiction over any aspect of the operations to be performed hereunder and their attention is directed to the Section of this RFP entitled "Harmony" included in, Part II of Attachment B entitled, "Standard Contract Terms and Conditions".

## **J. Additional Proposer Information**

Prospective Proposers are advised that additional vendor information, including, but not limited to forms, documents and other information, including M/WBE Participation Plan Submission Forms and protest procedures, may be found on the Port Authority website at:

[http://www.panynj.gov/DoingBusinessWith/contractors/html/other\\_info.html](http://www.panynj.gov/DoingBusinessWith/contractors/html/other_info.html)

## **2. PROPOSER PREREQUISITES**

Only Proposers who can demonstrate that they comply with the following should submit proposals, as only proposals from such Proposers will be considered:

- A. The Proposer shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its proposal in providing fire safety director services under contract to commercial or industrial accounts. The Proposer may fulfill this prerequisite if it can demonstrate that the persons or entities owning and controlling the Proposer have had a cumulative total of at least the same number of years immediately prior to the submission of its proposal in the continuous management and operation of a fire safety director service business actually engaged in providing these services to commercial and industrial accounts under contract, or has owned and controlled other entities which meet the requirement.
- B. During the time period stated in (a) above, the Proposer shall demonstrate satisfactory performance of at least one contract for similar services of similar scope and complexity.
- C. The Proposer shall demonstrate that it has earned gross revenues of at least \$1.6 million dollars a year for the last two (2) fiscal or calendar year(s) from the type of services described herein.
- D. The Proposer shall have at the time of its submittal (and maintain throughout the term of the contract and any options periods, if any), a valid and current license issued by New York State, Division of Licensing Services, pursuant to New York General Business Law, Section 70. Without limiting the foregoing, the Proposer shall

comply with all present and future governmental laws governing the services provided hereunder.

In the event a Proposal is submitted by a joint venture the foregoing prerequisites will be considered with respect to such Proposal as follows:

With respect to subparagraph (A) and (B) above, the prerequisite will be considered satisfied if the joint venture itself, or any of its participants individually, can meet the requirements. With respect to subparagraph (C), the gross income of the joint venture itself may meet the prerequisites or the gross income of the participants in the joint venture may be considered cumulatively to meet the prerequisite. Subparagraph (D) must be met by each member of the joint venture or if the joint venture has been established as a separate, legal entity, than by the joint venture itself.

If the proposal is submitted by a common law joint venture, a joint venture that has not been established as a distinct legal entity, each participant of the joint venture shall be held jointly and severally liable and must individually execute and perform all acts required by this proposal. Documents signed by a common law joint venture, in connection with this proposal, shall include the names of all participants of the joint venture followed by the words "acting jointly and severally". All joint venture proposers must provide documentation of their legal status.

All Proposers must include documentation that they meet the above prerequisites. By furnishing this solicitation document to Proposers, the Port Authority has not made a determination that the Proposers have met the prerequisites or have otherwise been deemed qualified to perform the services. In addition, a determination that a Proposer has met the prerequisites is no assurance that they will be deemed qualified in connection with other proposal requirements included herein.

### **3. FINANCIAL INFORMATION**

The Proposer will be required to demonstrate that it is financially capable of performing the contract resulting from this RFP ("Contract"). The determination of the Proposer's financial qualifications and ability to perform this Contract will be in the sole discretion of PATH. The Proposer shall submit, with its proposal, the following:

- A. (1) Certified financial statements, including applicable notes, reflecting the Proposer's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent year or the Proposer's most recent fiscal year.
  
- (2) Where the certified financial statements in (1) above are not available, then reviewed statements from an independent accountant setting forth the aforementioned information shall be provided.

Where the statements submitted pursuant to subparagraphs (1) and (2) aforementioned do not cover a period which includes a date not more than forty-five days prior to the Proposal Due Date, then the Proposer shall also submit a statement

in writing, signed by an executive officer or his/her designee, that the present financial condition of the Proposer is at least as good as that shown on the statements submitted.

- B. A statement of work which the Proposer has on hand, including any work on which a bid has been submitted, containing a description of the work, the annual dollar value, the location by City and State, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Proposer's work on these jobs.
- C. The name and address of the Proposer's banking institution, chief banking representative handling the Proposer's account, the Proposer's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes), the Proposer's Dun and Bradstreet number, if any, the name of any credit service to which the Proposer furnished information and the number, if any, assigned by such service to the Proposer's account.

#### 4. EVALUATION CRITERIA AND RANKING

Proposals will be evaluated on the following criteria, which are shown in descending order of importance (Subsections, if any, do not denote order of importance within an individual criteria).

##### A. Cost of Services

The degree and extent to which the Proposal is cost effective to PATH and the overall cost of the Service.

##### B. Quality and Responsiveness of the Proposer's Management Approach

The quality and effectiveness of the overall proposal as well as the relevant and successful experience of the managerial and supervisory personnel proposed to be dedicated to the Service. The quality and effectiveness of the M/WBE Plan, the Certification of Environmentally Preferable Products/Practices, the Customer Service Plan and proposed customer service measurements and mission statement, and the quality and effectiveness of the Contractor Background Screening Plan. The quality and effectiveness of the plan and customer service measurement, Contractor's Audit Program, (as described in Section 26 Attachment B, Part I) disciplinary procedures, staff organization, payroll processing, recruiting, maintaining a stable workforce and Proposer's anticipated turnover levels, the quality and effectiveness of the Wages and Supplemental Benefits Plan and the proposed salaries and the Proposer's self assessment plan for measuring compliance with the wage and benefit requirements of the Contract

##### C. The Extent and Quality of Proposer's experience

The extent to which the Proposer has relevant experience furnishing fire safety director services of similar scope and complexity. Special emphasis is to be given to

the extent the Proposer has demonstrated a high degree of performance in past contracts involving management of a fire safety director force, with posts located in remote locations, often under stressful working conditions, while providing a high level of service to the public. Additional consideration will be given to experience with implementation and ongoing administration of training programs, background checks, performance improvement measurement, quality control programs, customer service initiatives and human resource development. An important consideration in this section is the analysis of business risk that the PATH could incur under this contracting scenario. The relative amount of business risk to PATH would increase as one contractor's percentage of contract capture for similar work rises. The amount of this risk must be reflected in the scoring for this section.

## 5. M/WBE SUBCONTRACTING PROVISIONS

The Port Authority has a long-standing practice of making its business opportunities available to Minority Business Enterprises (MBEs) and Women-Owned Businesses (WBEs) and has taken affirmative steps to encourage such firms to seek business opportunities with the Port Authority. The successful Proposer will use good faith efforts to provide for meaningful participation by Port Authority certified M/WBEs as defined in this document, in the purchasing and subcontracting opportunities associated with this contract, including purchase of equipment, supplies and labor services.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- (a) African-American persons having origins in any of the Black African racial groups not of Hispanic origin;
- (b) Latino Americans of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- (c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- (d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

The Contractor shall use good faith efforts to achieve participation equivalent to 12% of the total Contract price for MBEs and 5% of the total Contract price for WBEs.

Good faith efforts to include participation by M/WBEs shall include, but not be limited to the following:

- 1) Dividing the services and materials to be procured into small portions where feasible;
- 2) Giving reasonable advance notice of specific subcontracting and purchasing opportunities to such firms as may be appropriate;
- 3) Soliciting services and materials from M/WBEs, which are certified by the Port Authority;
- 4) Ensuring that provision is made for timely progress payments to the M/WBEs and;
- 5) Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Proposers are directed to use form PA3749B as the recording mechanism for the M/WBE participation Plan, annexed hereto as Exhibit 6 or may be downloaded at [http://www.panynj.gov/DoingBusinessWith/contractors/html/other\\_info.html](http://www.panynj.gov/DoingBusinessWith/contractors/html/other_info.html).

The M/WBE Plan submitted by the Contractor to the Port Authority shall contain, at a minimum, the following:

- Identification of M/WBE's: Provide the names and addresses of all M/WBEs included in the Plan. If none are identified, describe the process for selecting participant firms in order to achieve the good faith goals under this Contract.
- Level of Participation: Indicate the percentage of M/WBE participation expected to be achieved with the arrangement described in the Plan.
- Scope of Work: Describe the specific scope of work the M/WBE's will perform.
- Previous M/WBE Participation: Describe any previous or current M/WBE participation, which the Proposer has utilized in the performance of its contracts.

All M/WBE subcontractors listed on the M/WBE Participation Plan must be certified by the Port Authority in order for the Contractor to receive credit toward the M/WBE goals set forth in this Contract. Port Authority M/WBE certified vendor information is available to all vendors who are registered with the Port Authority. Please log on to <https://panynjprocure.com/VenLogon.asp> to search for M/WBEs by a particular commodity or service. The Port Authority makes no representation as to the financial responsibility of such firms or their ability to perform Work under this Contract.

Proposers shall include their M/WBE Participation Plan with their proposals, to be reviewed and approved by the Authority's Office of Business and Job Opportunity ("OBJO").

Proposers may request a waiver of the M/WBE participation goals set forth in this Contract by providing with its proposal, information in accordance with this provision

and the provision entitled "M/WBE Good Faith Participation" in the Standard Terms and Conditions of this Contract.

If the Contractor wishes to subcontract a portion of the Work through a firm not listed in the Directory, but which the Contractor believes should be eligible because it is (1) an M/WBE, as defined above and (2) competent to perform portions of the Work, the Contractor shall submit an M/WBE Uniform Certification Application to the Port Authority of New York and New Jersey, Office of Business and Job Opportunity ("OBJO"), 233 Park Avenue South, 4<sup>th</sup> Floor, New York, NY 10003. The application is available online at <http://www.panynj.gov/DoingBusinessWith/economic/html/objo.html>. In addition, to update your certification file and to advise OBJO of changes to any information, please email these changes to [OBJOCert@panynj.gov](mailto:OBJOCert@panynj.gov). Credit toward applicable goals will be granted only to Port Authority certified vendors. For more information about M/WBE Programs, call (212) 435-7819.

#### **6. CERTIFICATION OF RECYCLED MATERIALS PROVISION**

Proposers shall submit, with their proposal, Exhibit 8 the Certified Environmentally Preferable Products / Practices Form attesting that the products or items offered by the Proposer contain the minimum percentage of post-consumer recovered material in accordance with the most recent guidelines issued by the United States Environmental Protection Agency (EPA), or, for commodities not so covered, the minimum percentage of post-consumer recovered materials established by other applicable regulatory agencies.

#### **Recycling Definitions:**

For purposes of this solicitation, the following definitions shall apply:

- a. **"Recovered Material"** shall be defined as any waste material or by-product that has been recovered or diverted from solid waste, excluding those materials and by-products generated from, and commonly reused within, an original manufacturing process.
- b. **"Post-consumer Material"** shall be defined as any material or finished product that has served its intended use and has been discarded for disposal or recovery having completed its life as a consumer item. "Post-consumer material" is included in the broader category of "Recovered Material".
- c. **"Pre-consumer Material"** shall be defined as any material or by-product generated after the manufacture of a product but before the product reaches the consumer, such as damaged or obsolete products. Pre-consumer Material does not include mill and manufacturing trim, scrap, or broken material that is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.
- d. **"Recycled Product"** shall be defined as a product that contains the highest amount of post-consumer material practicable, or when post-consumer material is impracticable for a specific type of product, contains substantial amounts of Pre-consumer Material.

- e. "Recyclable Product" shall be defined as the ability of a product and its packaging to be reused, reconditioned for use, or recycled through existing recycling collection programs.
- f. "Waste Reducing Product" shall be defined as any product that will result in less waste generated due to its use rather than another product designed to serve the same function with an greater waste generation rate. This shall include, but not be limited to, those products that can be reused, refilled or have a longer life expectancy and contain a lesser amount of toxic constituents.

## 7.. PROPOSAL SUBMISSION REQUIREMENTS

In order to expedite the evaluation of proposals, the Proposer's response to this RFP must follow the format and order of items, using the same paragraph identifiers, as set forth below.

### A. Letter of Transmittal

The Proposer shall submit a letter on its letterhead, signed by an authorized representative, stating its experience and qualifications in meeting the requirements of this RFP. This letter shall include a statement on whether the Proposer is submitting a proposal as a single entity, a joint venture, or is partnering with another firm in a prime/subcontracting relationship. In all cases, information required for a single entity is required for each participant in a joint venture. If a joint venture submits a Proposal, it and all participants in the joint venture shall be bound jointly and severally and each such participant of the joint venture shall execute the Proposal and do each act and thing required hereunder. Wherever the Proposer's name would appear, the name of the joint venture and the names of all participants should be listed followed by the words "acting jointly and severally".

The Letter of Transmittal shall contain:

- (1) Name and address of the Proposer and an original signature on the Letter of Transmittal by an authorized representative on behalf of the Proposer;
- (2) Name(s), title(s) and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;
- (3) Name, title and telephone number of a contact person to which the Port Authority can address questions or issues related to this RFP;
- (4) Name and address of proposed subcontractors, if any;
- (5) If a corporation: (a) a statement of the names and residences of its officers, and (b) a copy of its Certificate of Incorporation, with a written declaration signed by the secretary of the corporation, with the corporate seal affixed thereto, that the copy furnished is a true copy of the Certificate of Incorporation as of the date of the opening of the Proposals;

If a partnership: a statement of the names and residences of its principal officers, indicating which are general and which are special partners;

If an individual: a statement of residence;

If a joint venture: information on each of the parties consistent with the information requested above; if the Contract is awarded to a common law joint venture (a partnership of business entities) each member will be jointly and severally liable under the Contract.

**B. Executive Summary**

The Proposer shall submit a summary presenting the major features of its proposal and how the proposal satisfies the requirements contained in this RFP, as well as the special competencies and expertise of the Proposer to meet the requirements of this RFP.

**C. Agreement on Terms of Discussion**

The Proposer shall submit a copy of the "Agreement on Terms of Discussion," signed by an authorized representative of the Proposer. The Agreement format is included as Attachment A hereto and shall be submitted by the Proposer without any alterations or deviations. Any Proposer who fails to sign the Port Authority's "Agreement on Terms of Discussion" will not have its proposal reviewed. If the Proposer is a joint venture, an authorized representative of each party must sign the Agreement.

**D. Certifications With Respect to the Contractor's Integrity Provisions**

The Proposer, by signing the Letter of Transmittal, makes the certifications in the "Contractor's Integrity Provisions," included as Section III in Part II of Attachment "B". If the Proposer cannot make any such certifications, it shall enclose an explanation of that inability.

**E. Documentation of Proposer Prerequisites**

The Proposer shall submit documentation to demonstrate that it meets all prerequisites, if any, included herein.

**F. Proposal**

The Proposer must submit a Proposal, which details and clearly describes the procedures, plans, policies and staffing that the Proposer intends to utilize to fulfill the requirements of the anticipated contract for Fire Safety Director Service. At a minimum, the Proposer must address the following:

**1. Proposer's Overall Experience**

The Proposer shall submit a list of all relevant fire safety director service related contracts that have been performed by or are currently being performed by the Proposer within the last five (5) years. Include for each contract listed the name

and address of the contracting party; the locations where the work was performed; duration of the contract; the approximate dollar amount of the contract; the annual staff hours of full and part time labor expended in the performance of the contract; a summary of the types of work performed and the names, addresses and telephone numbers of owner's representatives or Contract Administrators who are familiar with the work whom the Port Authority acting on behalf of PATH may contact. The Proposer shall describe how the work performed under each contract is similar to the duties and responsibilities required in the Contract contemplated herein. The Proposer should include its previous experience conducting on-going training programs, background checks, human resource development programs and the development and use of performance measurements, customer service programs and quality control programs. The Proposer shall use Exhibit 1 the Proposer Reference Form to submit this information.

## **2. Cost Proposal Form**

The Proposal must include completed Cost Proposal Forms. Proposals that do not include these Forms will not be evaluated. In developing your cost, the Proposer is cautioned to carefully refer to Section 10 in Part I of Attachment B, the Form of Contract of the RFP, which sets forth certain Hourly Wage and Supplemental Benefit requirements applicable to the employees performing the services under this Contract.

## **3. Management and Customer Service Plan**

The Proposer shall submit a management and customer service plan, which should include, but not be limited to, the following:

- a) The Proposer shall provide as part of its Proposal a mission statement it will implement for this Contract as it relates to superior customer service.
- b) The Proposer shall describe how employees will be recruited, hired, retrained and trained as required in Attachment B, Part I Section 24 entitled "Training Provided by the Contractor".
- c) The Proposer shall specify what it considers as an acceptable employee turnover rate for this Contract, and shall identify their annual retention statistics for non-supervisory positions over the past five (5) years.
- d) The Proposer shall list qualifications and experience of managerial and supervisory personnel who will be exclusively dedicated to the Contract, including their length of service, summary of relevant experience of each person listed and the anticipated function of each person.
- e) The Proposer shall submit a comprehensive organizational chart indicating the reporting structure (i.e., chain-of-command), and the number of employees who will be assigned to each shift.

- f) The Proposer shall provide, consistent with Part B, Exhibit 5 (Customer Service Requirements and Well Being Program), information on how it plans to implement and enforce customer service standards.
- g) The Proposer shall provide as part of its response, as it relates to customer service, a complete description of how it will measure its performance against the standards established for this Contract, including but not limited to, how often the evaluations will be performed, who will perform the evaluations and what will be done with information once the evaluations are completed. Evaluations should cover both supervisory and non-supervisory staff. The Proposer shall also provide its plan describing how it will communicate and reinforce these standards, as well as obtain feedback from its employees with regard to them.
- h) The Proposer should feel free to submit any innovative ideas, concepts or procedures, along with any new technology, that would enhance its ability to provide the highest possible quality of customer service.
- i) The Proposer shall submit a M/WBE Plan in accordance with the Section of this RFP entitled "M/WBE Subcontracting Provisions".
- j) The Proposer's Certified Environmentally Preferable Products/Practices Form ensuring compliance with all applicable federal, state and local standards in their business practices, in accordance with the Certified Environmentally Preferable Products/Practices Provision.
- k) The Proposer shall provide its plan for fleet management/replacement and payroll processing. l) The Proposer should provide any other information that would be helpful to PATH in determining the Proposer's capability to provide the services described in this RFP.

#### **4. Wage and Supplemental Benefits Plan**

- a) The Proposer shall submit a Wage and Supplemental Benefits Plan for year one of the Contract for all positions for which wages and supplemental benefits are specified in the Contract Specific Terms and Conditions. The Proposer shall also complete the "Calculation of Hourly Rate" form(s) included in Part B, Exhibit 2 attached to this RFP. The Proposer must also separately outline how it intends to establish and reward seniority to further the Port Authority acting on behalf of PATH's objective to motivate and retain a skilled and experienced workforce. In addition the plan shall include a detailed description of the health coverage plan(s) to be provided for single and family participants and other supplemental benefits for all positions under the contract.

**5. Contractor's Audit Program**

The Proposer shall submit a sample of the Contractor's Audit Program further described in Part B, Section 26 of the Contract Specific Terms and Conditions entitled "Contractor's Audit Program".

**6. Contractor Identity Check/Background Screening Plan**

The Proposer shall submit a Contractor Identity Check/Background Screening Plan, which demonstrates how the Proposer will ensure that only employees who were successfully prescreened and properly credentialed perform the services herein. This Plan shall be applicable to all years of the Contract and shall be in compliance with Transportation Security Regulations as set forth in title 19 of the Code of Federal Regulations, Part 1542 even if such regulations would or would not otherwise apply to the work of this Contract.

**G. Acknowledgment of Addenda**

If any Addenda are sent or posted as part of this RFP, the Proposer shall complete, sign and include with its Proposal the addenda form(s). In the event any Proposer fails to conform to these instructions, its proposal will nevertheless be construed as though the Addenda had been acknowledged.

If the Proposer downloaded this RFP document, it is the responsibility of the Proposer to periodically check the Port Authority website at <http://www.panynj.gov/DoingBusinessWith/contractors/html/current.php> and download any addenda that might have been issued in connection with this solicitation.

**H. Acceptance of Standard Contract Terms and Conditions**

PATH has attached to this RFP as Attachment B, Standard Contract Terms and Conditions governing the Contract. The Proposer is expected to agree with these Standard Contract Terms and Conditions. However, if the Proposer has any specific exceptions, such exceptions should be set forth in a separate letter included with its response to this RFP.

**I. M/WBE Plan.**

The Proposer shall submit an M/WBE Plan in accordance with the M/WBE Subcontracting Provisions hereunder.

## **8. CONDITIONS FOR THE SUBMISSION OF A PROPOSAL**

In addition to all other requirements of this RFP, the Proposer agrees to the following conditions for the submission of its proposal.

### **A. Changes to this RFP**

At any time, in its sole discretion, the Port Authority acting on behalf of PATH may by written addenda, modify, correct, amend, cancel and/or reissue this RFP. If an addendum is issued prior to the date proposals are due, it will be provided to all parties in the medium in which the parties obtained the RFP. If an addendum is issued after proposals have been received, the addendum will be provided only to those whose proposals remain under consideration at such time.

### **B. Proposal Preparation Costs**

The Port Authority acting on behalf of PATH shall not be liable for any costs incurred by the Proposer in the preparation, submittal, presentation, or revision of its proposal, or in any other aspect of the Proposer's pre-contract activity. No Proposer is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of the Port Authority acting on behalf of PATH and the Proposer.

### **C. Disclosure of Proposal Contents / Use of Ideas and Materials**

Proposal information is not generally considered confidential or proprietary. All information contained in the proposal is subject to the "Agreement on Terms of Discussion" attached hereto as Attachment B.

### **D. Ownership of Submitted Materials**

All materials submitted in response to or in connection with this RFP shall become the property of the Port Authority acting on behalf of PATH. Selection or rejection of a Proposal shall not affect this right.

### **E. Subcontractors**

If a Proposer intends to use subcontractor(s) the Proposer must identify in its proposal the names of the subcontractor(s) and the portions of the work the subcontractor(s) will perform.

### **F. Conflict of Interest**

If the Proposer or any employee, agent or subcontractor of the Proposer may have a possible conflict of interest, or may give the appearance of a possible conflict of interest, the Proposer shall include in its proposal a statement indicating the nature of the conflict. The Port Authority acting on behalf of PATH reserves the right to disqualify the Proposer if, in its sole discretion, any interest disclosed from any source

could create a conflict of interest or give the appearance of a conflict of interest. The Port Authority's determination regarding any questions of conflict of interest shall be final.

#### **G. Authorized Signature**

Proposals must be signed by an authorized corporate officer (e.g., President or Vice President), General Partner, or such other individual authorized to bind the Proposer to the provisions of its proposal and this RFP.

#### **H. References**

The Port Authority acting on behalf of PATH may consult any reference familiar with the Proposer regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a proposal shall constitute permission by the Proposer for the Port Authority acting on behalf of PATH to make such inquiries and authorization to third parties to respond thereto.

#### **I. Evaluation Procedures and Negotiation**

Only Proposers which meet the prerequisites, if any, may have their proposals evaluated based on the evaluation criteria set forth in this RFP. The Port Authority acting on behalf of PATH may use such procedures that it deems appropriate to evaluate such proposals. The Port Authority acting on behalf of PATH may elect to initiate contract negotiations with one or more Proposers including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this RFP. The option of whether or not to initiate contract negotiations rests solely with the Port Authority acting on behalf of PATH.

#### **J. Taxes and Costs**

Sales to the Port Authority acting on behalf of PATH are currently exempt from New York and New Jersey State and local sales and compensating use taxes and generally from federal taxation. All costs associated with the Contract must reflect this exemption and be stated in U.S. currency.

#### **K. Most Advantageous Proposal/No Obligation to Award**

The Port Authority acting on behalf of PATH reserves the right to award the Contract to other than the Proposer proposing the lowest price. The Contract will be awarded to the Proposer whose proposal the Port Authority acting on behalf of PATH believes, in its sole discretion, will be the most advantageous to the Port Authority acting on behalf of PATH. Neither the release of this RFP nor the acceptance of any response thereto shall compel the Port Authority acting on behalf of PATH to accept any proposal. The Port Authority acting on behalf of PATH shall not be obligated in any manner whatsoever to any Proposer until a proposal is entered into between the Port Authority acting on behalf of PATH and the Contractor.

#### **L. Multiple Contract Awards**

The Port Authority acting on behalf of PATH reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this RFP and Proposers are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services.

#### **M. Right to Extend Contract**

If this is a proposal for a contract for a term of years, including specified options for renewal, the Port Authority reserves the additional right to extend the contract term for an additional 120 days, upon the same terms and conditions of the original Contract negotiated between the Port Authority and the successful Proposer.

#### **N. Rights of the Port Authority acting on behalf of PATH**

- (1) The Port Authority acting on behalf of PATH reserves all its rights at law and equity with respect to this RFP including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this RFP, to reject any and all proposals, to waive defects or irregularities in proposals received, to seek clarification of proposals, to request additional information, to request any or all Proposers to make a presentation, to undertake discussions and modifications with one or more Proposers, or to negotiate an agreement with any Proposer or third person who, at any time, subsequent to the deadline for submissions to this RFP, may express an interest in the subject matter hereof, to terminate further participation in the proposal process by a Proposer or to proceed with any proposal or modified proposal, which in its judgment will, under all circumstances, best serve the Port Authority acting on behalf of PATH's interest. The Port Authority acting on behalf of PATH may, but shall not be obliged to, consider incomplete proposals or request or accept additional material or information. The holding of any discussions with any Proposer shall not constitute acceptance of a proposal, and a proposal may be accepted with or without discussions.
- (2) No Proposer shall have any rights against the Port Authority acting on behalf of PATH arising from the content of this RFP, the receipt of proposals, or the incorporation in or rejection of information contained in any proposal or in any other document. The Port Authority acting on behalf of PATH makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, is accurate, complete, or timely or that such information accurately represents the conditions that would be encountered during the performance of the contract. The furnishing of such information by the Port Authority acting on behalf of PATH shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Proposer, by submitting its proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority acting on behalf of PATH liable or responsible therefor in any manner whatsoever. Accordingly,

nothing contained herein and no representation, statement or promise, of the Port Authority acting on behalf of PATH, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Proposer required by this RFP or Contract and the Proposer agrees that it shall not hold the Port Authority acting on behalf of PATH liable or responsible therefor in any manner whatsoever.

- (3) At any time and from time to time after the opening of the proposals, the Port Authority acting on behalf of PATH may give oral or written notice to one or more Proposers to furnish additional information relating to its proposal and/or qualifications to perform the services contained in this RFP, or to meet with designated representatives of the Port Authority acting on behalf of PATH. The giving of such notice shall not be construed as an acceptance of a proposal. Information shall be submitted within three (3) calendar days after the Port Authority acting on behalf of PATH's request unless a shorter or longer time is specified therein.

#### **N. No Personal Liability**

Neither the Commissioners of the Port Authority, nor any Directors of PATH, nor any of them, nor any officer, agent or employee thereof shall be charged personally with any liability by a Proposer or another or held liable to a Proposer or another under any term or provision of this RFP or any statements made herein or because of the submission or attempted submission of a proposal or other response hereto or otherwise.

**ATTACHMENT A**

**AGREEMENT ON TERMS OF DISCUSSION**

The Port Authority acting on behalf of PATH's receipt or discussion of any information (including information contained in any proposal, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority acting on behalf of PATH or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority acting on behalf of PATH and us). Any such information given to the Port Authority acting on behalf of PATH before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority acting on behalf of PATH rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority acting on behalf of PATH will employ reasonable efforts, subject to the provisions of the Authority's Freedom of Information Resolution adopted by its Committee on Operations on August 13, 1992, which may be found on the Authority website at [http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi\\_policy.html](http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html), not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority acting on behalf of PATH as part of or in connection with the submission of a proposal.

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.  
DO NOT RETYPE.**

**ATTACHMENT B**

**CONTRACT TERMS AND CONDITIONS FOR FACILITY SERVICES**

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## **List of Exhibits**

<b>Exhibit 1</b>	<b>Proposer Reference Form</b>
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<b>Exhibit 3</b>	<b>Uniform Specifications</b>
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<b>Exhibit 6</b>	<b>M/WBE Participation Plan</b>
<b>Exhibit 7</b>	<b>Statement of Subcontractor Payments</b>
<b>Exhibit 8</b>	<b>Certified Environmentally Preferable Products/Practices</b>

## Attachment B

### Contract Terms and Conditions for Facility Services

#### Part I – Contract Specific Terms and Conditions

##### Section 1. General Agreement

The Contractor agrees to perform designated Fire Safety Director Services (hereinafter sometimes referred to as the "Service") at the PATH Temporary World Trade Center Station (hereinafter referred to as WTC) located in Manhattan, New York. The Contractor will furnish all labor, supervision, uniforms, equipment, including materials, supplies, and do all other things necessary or proper therefore or incidental thereto, all in strict conformance with the provisions of the Contract and as the same may be amended, and the Contractor further agrees to assume and perform all other duties and obligations imposed upon it by this Contract.

The enumeration in these Contract Documents of particular things to be furnished or done at the Contractor's expense, or without cost or expense to PATH, or without additional compensation to the Contractor shall not be deemed to imply that only things of a nature similar to those enumerated shall be furnished and done; but the Contractor shall perform all work as required without other compensation than that specifically provided, whatsoever changes may be made in the contract, whatsoever work may be required in addition to that required by the contract in its present form, and whatsoever obstacles or unforeseen conditions may arise or be encountered.

##### Section 2. Definitions

Terms, as used in this agreement

- a. The term "Director/General Manager" shall mean the Director/General Manager of PATH for the time being or his successor in duties, acting personally or through his or her authorized representative for the purpose of this contract.
- b. The term "Deputy Director" shall mean the Deputy Director of PATH for the time being or his successor in duties, acting personally or through his authorized representative for the purpose of this contract.
- c. The term "Superintendent" or "Manager" shall mean the person designated by PATH from time to time to exercise the powers and functions vested in the Superintendent/Manager, PATH or his/her designee.

No persons shall mean deemed a representative of the Director/General Manager, Deputy Director except to the extent specifically authorized in an express written notice to the Contractor signed by the Vice President, Director/General Manager, Deputy Director or the Superintendent as the case may be.

Further, no persons shall be deemed a successor in duties of either the Vice President, Director/General Manager, Deputy Director or Superintendent, unless the Contractor is so notified in writing signed by the President or Vice President of PATH.

d. The term "Facility or "PATH Temporary World Trade Center Station" or "WTC" shall include all construction and structures which are part of the PATH Temporary WTC Station as further delineated the Part I, Section 20 entitled "Introduction".

**Section 3. Duration**

- A. The term of the Contract shall be for a three (3) year period (the "Initial Term") commencing at 12:01 a.m. on or about December 1, 2008 on the specific date set forth in the notice of proposal acceptance (said date and time hereinafter sometimes called "the Commencement Date").
- B. PATH shall have the unilateral right, to extend this Contract for up to two (2) additional one (1) year periods (herein the "option periods" or "option years") on the terms stated herein subject only to adjustment of charges as herein provided. Prior to exercising any such option to extend, the Port Authority shall advise the Contractor, in writing, at least sixty (60) days prior to the expiration of the Initial Term hereof, or the first option period, as applicable, that it intends to exercise such extension. The Port Authority makes no guaranty that the extensions will be exercised.
- C. PATH shall have the absolute right to extend this Contract as the same may have been previously extended as provided in sub-paragraph B. above, or after the Initial Term for up to an additional one hundred twenty (120) day period on the same terms and conditions. The charges in effect for the previous Contract year shall remain in effect during this extension period without escalation. PATH shall notify the Contractor in writing, at least thirty (30) days prior to the expiration date of the Initial Term or any option year, as applicable, that the Contract term is so extended.

**Section 4. Escalation – Initial Term & Option Periods**

- A. All Contract charges set forth in the Cost Proposal Form for each category as set forth in paragraph (A) of Section 5 entitled "Billing and Payment", submitted by the Contractor and agreed to by the Port Authority, shall be applicable to the first year of the Initial Term. For the second and third years in the Initial Term and for the first and second Option Periods that are applicable to this Contract and are exercised hereunder, (excluding the 120 day Extension Period as described in the paragraph entitled "Duration<sub>(m1)</sub>" in [Location of Clause]<sub>(m2)</sub>, hereof) the Port Authority shall adjust the compensation due to the Contractor utilizing the Consumer Price Index for all Urban Consumers; Series Id: CUURA101SA0L2; Not Seasonally Adjusted; New York-Northern New Jersey-Long Island, NY-NJ\_CT-PA area; all items less shelter, 1982-1984=100, published by the Bureau of Labor Statistics of the United States Department of Labor (hereinafter called the "Price Index").
- B. For the second and third years in the Initial Term and for the first and second Option Periods that are applicable to this Contract, the adjustments shall be as follows:

- 1) For the second Contract year during the initial three-year term of this Contract, the Price Index, as defined in paragraph (A), shall be determined for the month of August 2008 and August 2009. The unit charges as indicated in the Cost Proposal Form for the first year shall be multiplied by a fraction, the numerator of which shall be the Price Index for August 2009 and the denominator of which shall be the Price Index for August 2008 and such fraction shall not exceed three percent (3%) per annum. . The resulting product shall be the unit charges payable during the second year of the Contract.
  - 2) For the third Contract year during the initial three-year term of this Contract, the Price Index, as defined in paragraph (A), shall be determined for the month of August 2009 and August 2010. The unit charges as indicated in the Cost Proposal Form for the second year shall be multiplied by a fraction, the numerator of which shall be the Price Index for August 2010 and the denominator of which shall be the Price Index for August 2009 and such fraction shall not exceed three percent (3%) per annum. The resulting product shall be the unit charges payable during the second year of the Contract.
  - 3) For the first Option Period, the Price Index, as defined in paragraph (A), shall be determined for the months of August 2010 and August 2011. The unit charges payable in the third year of the Contract shall be multiplied by a fraction, the numerator of which shall be the Price Index for August 2011 and the denominator of which shall be the Price Index for August 2010 and such fraction shall not exceed three percent (3%) per annum. . The resulting product shall be the unit charges payable during the first year of the first Option Period.
  - 4) For the second Option Period, the Price Index, as defined in paragraph (A), shall be determined for the months of August 2011 and August 2012. The unit charges payable in the first Option Period shall be multiplied by a fraction, the numerator of which shall be the Price Index for August 2012 and the denominator of which shall be the Price Index for August 2011 and such fraction shall not exceed three percent (3%) per annum. . The resulting product shall be the unit charges payable during the first year of the second Option Period.
- C. In the event of a change in the basis or the discontinuance of the publication by the United States Department of Labor of the Price Index, such other *appropriate index shall be substituted as may be agreed to by the parties hereto* as properly reflecting changes in value of the current United States money in a manner similar to that established in the said Price Index used in the latest adjustment. In the event of the failure of the parties to so agree, the Port Authority may select and use such index, as it seems appropriate.
- D. In the event the annual charges set forth on the Cost Proposal Form shall be adjusted hereunder, then, simultaneously with such adjustment of the charges, the Hourly Wage and Supplemental Benefits to be paid and provided hereunder, shall also be adjusted by multiplying said amounts, as the same may

have been previously adjusted hereunder, by the same fraction set forth in the applicable paragraph above, which was used to adjust the compensation payable in the corresponding Contract Year, or Option Period, as applicable, and thereafter such adjusted amounts shall be payable as though set forth in the Form of Contract. At the commencement of the second, year of the Initial Term and at the commencement of the first year of each Option Period, if any, the Contractor shall submit to the Port Authority its plan to insure its compliance with the average hourly wage and supplemental benefits requirement in effect during such coming year. In the event that the Consumer Price Index is not available for any specified month as herein above set forth within the time set forth for payment, such Consumer Price Index for the last month then published shall be used to constitute the Consumer Price Index.

- E. If after an adjustment referred to in this Section, the Index used for computing such adjustment shall be changed or adjusted then the amounts payable to the Contractor for that period shall be recomputed. If such recompilation results in a smaller increase in the amount payable to such period then after notification of the change or adjustment, the recomputed amounts shall be in effect and upon demand the Contractor shall refund to the Port Authority excess amounts theretofore paid by the Port Authority for such period.

#### **Section 5. Billing and Payment**

- A. The Contractor's sole compensation in full and complete consideration for the performance of all its obligations under this Contract shall be an amount equal to the sum of the following:
  - 1) For each hour expended by Senior Fire Safety Directors , and Fire Safety Directors, the applicable Hourly Charge as set forth in the Cost Proposal Forms multiplied by the actual number of hours of post coverage satisfactorily completed, and
  - 2) For each month during which fire safety director services are provided at the Facility separately described in the Cost Proposal Form, the applicable Monthly Management Fee for the Facility, as set forth by the Proposer in the Cost Proposal Forms.
- B. Payment of the foregoing by the PATH to the Contractor shall be made in monthly installments in accordance with the following:
  - 1) The form of submission of all invoices for payment to the Contractor by PATH for services rendered under this Contract shall be as directed by the individual Facility Manager or Superintendent from time to time, including but not limited to, format, breakdown of items presented and verifying records. On or before the tenth day of the month following the month in which the Commencement Date occurs and on the tenth day of each and every calendar month thereafter during the term of this Contract including the calendar month following the month of expiration, termination or revocation of this Contract, the Contractor shall submit to the specific Facility Manager or Superintendent, a separate itemized

invoice for each calendar month setting forth the amount due to the Contractor for the preceding calendar month, if any.

- 2) Payment shall be made in monthly installments consisting of an amount equivalent to the total of all the compensation for the services satisfactorily provided during the relevant billing period, each installment to be made as follows: within thirty (30) calendar days of receipt of the Contractor's invoice, PATH shall pay to the Contractor the amount set forth therein, subject to any corrections required by the manager or superintendent or to any other adjustments as provided elsewhere herein.
- 3) In the event an audit of the Contractor's books and records should indicate that the amount due to the Contractor for any billing period is less than the amount paid by PATH, the Contractor shall pay to the PATH the difference promptly upon receipt of PATH's statement thereof. PATH may, however, in its discretion elect to deduct said sum or sums from any subsequent payments to the Contractor.
- 4) In the event any invoice required hereunder to be submitted to PATH is not submitted to PATH within the time specified, then the time in which PATH is obligated to pay the amount covered by said invoice to the Contractor hereunder shall be extended so that in all cases PATH shall not be required, pursuant to this Section, to pay any amount to the Contractor prior to the thirty (30) day period set forth herein for payment.
- 5) It is expressly understood and agreed that all costs of the Contractor of whatever kind or nature and whether imposed directly upon the Contractor under the terms and provisions hereof or in any other manner whatsoever because of the requirements of the operation of the fire safety director service or otherwise under this Agreement shall be borne by the Contractor and without compensation or reimbursement from PATH except as specifically set forth in this Contract.
- 6) "Final Payment", as the term is used throughout this Contract, shall be the payment made for services rendered in the last month of the Initial Term, or, if the Contract is extended then Final Payment shall be the payment made for services rendered in the last month of the extended term. However, should this Contract be terminated for any reason prior to the 24<sup>th</sup> month of the Initial Term or prior to the last month of any extended term, then Final Payment shall be payment for services rendered in the month during which termination becomes effective. The acceptance by the Contractor, or by anyone claiming by or through him, of Final Payment shall operate as a release to PATH of all claims and of all liability to the Contractor for all things done or furnished in connection with the Contract and for every act and omission of PATH and others relating to or arising out of the Contract, including claims arising out of breach of Contract and claims based on claims of third persons. No payment, however, final or otherwise, shall operate to release the Contractor from any obligations in connection with this Contract.

- 7) The Contractor's agreement as provided in the immediately preceding paragraph shall be deemed to be based upon the consideration forming part of this Contract as a whole and not to be gratuitous; but in any event even if deemed gratuitous and without consideration, such agreement as provided in the immediately preceding paragraph shall nevertheless be effective. Such release shall include all claims, whether or not in litigation and even though still under consideration by PATH. Such release shall be effective notwithstanding any purported reservation of right by the Contractor to preserve such claim. The acceptance of any check designated as "Final Payment" or bearing any similar designation shall be conclusively presumed to demonstrate the intent of the Contractor that such payment was intended to be accepted as final, with the consequences provided in this clause, notwithstanding any purported reservation of rights.
  
- 8) The Contractor agrees that he shall not be entitled to, and hereby waives any right he might otherwise have to, and shall not seek any judgment whether under this Contract or otherwise for any such Final Payment or for an amount equivalent thereto or based thereon, or for any part thereof, if such judgment would have the effect of varying, setting aside, disregarding or making inapplicable the terms of paragraphs (6) and (7) of this section or have the effect in any way of entitling the Contractor to accept such Final Payment or an amount equivalent thereto or based thereon or any part thereof other than in the same fashion as a voluntary acceptance of a Final Payment subject to all the terms of this Contract including this paragraph, unless and until the Contractor should obtain a judgment on any claim arising out of or in connection with this Contract (including a claim based on breach of Contract) for an amount not included in said Final Payment. In any case in which interest is allowable on the amount of the Final Payment, such interest shall be at the rate of 6% per annum for the period, if any, in which such interest is due.

**Section 6. Audit**

The Contractor shall maintain (and shall cause subcontractors to maintain), in accordance with generally accepted accounting standards, during the term of the Contract and for two (2) years thereafter, all payroll records and books of account recording all Wages and Supplemental Benefits as defined in Section hereof entitled "Wages and Supplemental Benefits" paid or provided to or for its employees (and its subcontractor's employees) on account of the services performed by the Contractor pursuant to this Contract, which payroll records and books of account shall be kept at all times within the Port District and, during such time, the Contractor shall permit, (and shall cause its subcontractors to permit) in ordinary business hours, the examination and audit of such payroll records and books of account by the duly authorized representatives of the PATH. Further, the Contractor shall submit (and shall cause its subcontractors to submit) to PATH on the fifteenth day of the sixth month following the month in which the Commencement Date of this Contract falls and every six months thereafter, and the month following the month in which the termination date of this Contract falls, a certified statement signed by an executive officer of the Contractor (or its subcontractor) based upon the Contractor's (or subcontractors) payroll records showing straight time hours worked,

total straight time Wages paid and Supplemental Benefits provided for each employee (or subcontractor employee) as such term is defined in the above referenced section for each month of the Contract during the six month period ending on the last day of the month preceding the date of submission of the said statement, together with such other detailed information as PATH may request from time to time regarding Wages and Supplemental Benefits paid or provided by the Contractor or its subcontractor to such employees or to the individuals entitled to be paid minimum salaries in accordance with the above referenced section.

**Section 7. Withholding Payments**

- A. In addition to any other rights granted to the PATH hereunder, PATH shall have the right from time to time and at any time during the term of this Agreement to withhold from any payment otherwise due and payable to the Contractor such sums as the Manager or Superintendent may deem necessary or desirable to protect the Port Authority against failure or delay in performance by the Contractor of its obligations hereunder, which right may be exercised by PATH with or without revoking or terminating this Agreement. If, however, the payment of any amount due the Contractor shall be improperly withheld in accordance with the foregoing, PATH shall pay the Contractor interest thereon at the rate of 6% per annum for the period the payment is withheld, it being agreed that such interest shall be in lieu of and in liquidation of damages to the Contractor because such payment is withheld.
- B. If PATH has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse PATH, or if PATH is required or elects to pay any sum or sums or incurs any obligation or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, promises or agreements contained in this Agreement, or as a result of any act or omission of the Contractor contrary to the said conditions, promises and agreements, the Contractor shall pay to PATH the sum or sums so paid or the expense so incurred, including all interest, costs and damages, promptly upon the receipt of the PATH's statement therefore. PATH may, however, in its discretion, elect to deduct said sum or sums from any payments payable by it to the Contractor.

**Section 8. Liquidated Damages**

- A. In the event that the Contractor fails to satisfactorily provide Fire Safety Director Services, as required under this Contract, then inasmuch as the damage and loss to PATH, including disruption of the operation at the Facility and disruption of Fire Director Safety Service at the Facility, which will result from the non-performance of the Service not performed, cannot be calculated and will be incapable of accurate estimation, then in lieu of and in liquidation of damages for such breach, the amount payable by PATH to the Contractor hereunder shall be reduced by an amount equal to the product obtained by multiplying two-hundred (200%) of the applicable hourly charge or charges set forth in the Cost Proposal Form, as the same may have been adjusted, by the number of hours and major fractions thereof (quarter hours) that the Contractor fails to provide the Services (it being understood that in no event shall any amount be payable by the PATH for

Service hours not actually provided by the Contractor), said amount or amounts to be deducted from any sums due and owing from the PATH to the Contractor as the PATH shall determine from time to time, in its sole discretion.

- B. In the event that, for any reason wireless phones shall not be available or operational when needed for use in providing the Fire Safety Director service for any day or portion thereof, then, inasmuch as the damage and loss to PATH, including disruption of the operation of the Facility and disruption of the fire safety director service at the Facility which will result from the non-availability of such equipment, cannot be calculated and will be incapable of accurate estimation, then in lieu of and in liquidation of damages for such breach, the amount payable by PATH to the Contractor hereunder shall be reduced by an amount equal to Fifty Dollars and No Cents (\$50.00) per day per unavailable unit multiplied by the number of days or major fractions thereof that the Contractor fails to provide wireless phones, said amount or amounts to be deducted from any sums due and owing from PATH to the Contractor hereunder as PATH shall determine from time to time in its sole discretion.
- C. In the event that, for any reason, the Contractor fails to maintain or to provide or have available when required or requested by the PATH any documentation, reports or records such as Wage Compliance records, training records, or any other documentation required here under as required, then, inasmuch as the damage and loss to PATH, including disruption of the operation of the Facility and disruption of the security service at the Facility which will result from such non-performance cannot be calculated and will be incapable of accurate estimation, then in lieu of and in liquidation of damages for such breach, the amount payable by PATH to the Contractor hereunder shall be reduced by an amount equal to One Hundred Dollars and No Cents (\$100.00) per day per record or item multiplied by the number of days or major fractions thereof that the Contractor fails to maintain or provide any documentation, reports or records, said amount or amounts to be deducted from any sums due and owing from PATH to the Contractor hereunder as PATH shall determine from time to time in its sole discretion.
- D. Nothing contained in this Section nor the exercise of any right by PATH hereunder shall be deemed to be a waiver or relinquishment by PATH of any other right it may have hereunder including any right to terminate this agreement based on the contractors breach or at Law or in equity.

**Section 9. Extra Work**

- A. Extra Work as used herein shall mean the supply of supervision, personnel, equipment, materials and other services which differ from that implied or expressly required under the Contract in its present form not including new and/or additional Fire Safety Director Services and increased Fire Safety Director Service hours.

The Contractor shall provide separate additional personnel, equipment, materials and/or services for Extra Work as hereinabove defined, when

requested by any Manager or Superintendent on not less than twenty four (24) hours oral notice from the Manager or Superintendent, except in case of an emergency when not less than four (4) hours oral notice may be given, which will be confirmed in writing by the Manager or Superintendent to the Contractor. The Contractor will be compensated for the separate additional personnel, at the hourly rate set forth on the Cost Proposal as appropriate to the nature of the work. Written records must be maintained by the Contractor, evidencing all hours of additional personnel supplied hereunder along with such reports as are required by the Manager or Superintendent. If no hourly rate is set forth, the Manager or Superintendent may agree with the Contractor on the appropriate rate. If they cannot agree compensation shall be at the Contractor's Cost of Labor plus 15%.

"Cost of Labor" means the wages actually paid to and received by such employees plus a proper proportion of (a) Supplemental Benefits and other assessments which the employer actually pays pursuant to contractual obligations on the basis of such wages and (b) taxes actually paid by the employer pursuant to law upon the basis of such wages.

- B. In the case of purchased or leased equipment, materials, supplies and other things PATH will pay to the Contractor an amount equal to the net cost to the Contractor of such items plus fifteen percent (15%) thereof. All equipment, materials, supplies and other things supplied by the Contractor and the cost thereof (which shall be at reasonable market rates under the then existing circumstances) shall be subject to the prior approval of the Manager or Superintendent. Unless otherwise directed by the Manager or Superintendent, the Contractor shall seek at least three bids for the supply of same and shall maintain full documentation of same. The Manager or Superintendent may agree with the Contractor upon a lump sum or other appropriate rate in lieu of the formula set forth in this paragraph
- C. The total cost of all Extra Work performed by the Contractor shall not exceed 6% of estimated Contract cost for the Initial Term or any extension period.

#### **Section 10. Hourly Wages and Supplemental Benefits**

##### **A. Definitions:**

- 1) "Employee" shall mean any person, employed by the Contractor or its subcontractors, to perform any of the Services required under this Contract, as listed in below in paragraph C.
- 2) "Wages" shall mean monetary amounts paid by the Contractor or its subcontractor(s) to its employees for straight time (non-overtime) hours worked, including shift differentials, if any. Employee incentive plans are not included as wages.
- 3) "Supplemental Benefits" shall mean the cost to the Contractor (and its subcontractors) of all remuneration for employment provided to employees in any medium other than cash, but including payments which are not Wages within the meaning of this numbered clause, including, but not limited to: fair and reasonable vacation allowances, sick leave, holiday, jury duty, birthday, medical checkup,

welfare, retirement and non-occupational disability benefits, health, life, accident, or other such types of insurance. Any reimbursements to employees for expenses, and payroll taxes, employee incentive plans and any other benefits required by law are not includable as supplemental benefits. Without limiting the foregoing, under no circumstances shall the cost of providing uniforms or footwear, cleaning of uniforms, training and transportation to and from post, or any other items incidental to rendering the Services covered under this Contract, be allowed or included as Supplemental Benefits.

- 4) "Non-overtime Hours Worked" shall mean the straight-time hours actually worked by Employees under this contract and shall include the time an employee spends at roll call, whether or not paid; however, meal periods and relief time shall be excluded, whether or not paid.
- 5) "Contract Year", as used in this Agreement shall mean the twelve (12) month period commencing on the Commencement Date of the Contract and each successive twelve (12) month period thereafter or such portion of a twelve (12) month period that the Contract is in effect if the Contract should expire or be terminated on other than the last day of such twelve (12) month period.

- B. Supplemental Benefits including but not limited to holiday, sick time and vacation time, may accrue in one year but may not be paid to the following Contract year.**

For example: Assume an employee begins working for the Contractor on January 1, 2009. Although the employee accrues 10 vacation days, he/she cannot take them until he/she has worked for the Contractor for one year. The employee finally takes his/her vacation in February 2010, the employee's vacation benefits accrued in 2009 but were never paid. Therefore, the Contractor may not include the employee's vacation benefits in the computation of Minimum Hourly Wage and Supplemental Benefits until it is actually paid. At that time, the vacation time will be credited retroactively and applied in the computation of benefits for the year 2009.

- C. Contractor in the performance of the Services herein, shall pay or provide (and shall cause any subcontractor to pay or provide) not less than the Minimum Hourly Wage and fair and reasonable Supplemental Benefits for each employee in each category as set forth below.**

**Minimum Hourly Wage**

**Senior Fire Safety Director - \$26.28 (per hour)**

**Fire Safety Director - \$23.49 (per hour)**

- D. In the event that the compensation payable under this Contract is subject to adjustment from time to time as provided in the paragraph entitled "Escalation" in the Contract Specific Terms and Conditions, then the Minimum Hourly Wage for employees holding the positions of Senior Fire Safety Director and Fire Safety Director, shall each be adjusted by multiplying said amounts by the same percentage amount which was used to adjust the compensation payable under this Contract, as the same may have been further adjusted.**
- E. Nothing contained herein shall be construed to prevent the Contractor or any subcontractor from paying any individual employee hourly Wages higher than the Minimum Hourly Wage hereinbefore described. It is understood that the Contractor's obligation to pay or provide the Minimum Hourly Wage per job title, set forth above, allows the Contractor to pay or provide some of its employees hourly Wages that are higher than the minimum and nothing herein**

shall be construed to constitute a representation or guarantee by the Port Authority that the Contractor or its subcontractors can obtain employees for the amounts herein before described.

- F. Contractors (and its subcontractors) should expect to be audited with respect to Wages and Supplemental Benefits paid to Employees under this Contract. All Wage and Supplemental Benefit requirements under this Contract will be strictly enforced. Failure on the part of the Contractor (and its subcontractors) to comply with any of the requirements under this Contract, including but not limited to the timely submission of payroll certifications may be deemed a substantial breach of this Contract giving rise to the rights and remedies enumerated hereafter in the paragraph entitled "Rights and Remedies of the PATH" in the Standard Contract Terms and Conditions, as well as any other rights and remedies PATH would have in the absence of such enumeration and failure to comply with each of these requirements will be taken into consideration prior to award of future contracts with PATH.
- G. The Contractor shall maintain records in accordance with the requirements set forth in the paragraph entitled "Records and Reports" in the Standard Contract Terms and Conditions.

For records related to Wages and Supplemental Benefits, the Contractor is also required to provide such records and books of account in spreadsheet or other electronic format if available in electronic format and the Port Authority requests that such records and books of account be provided in electronic format.

Upon request by the Port Authority, the Contractor (and its subcontractors) shall have 15 business days to provide such payroll records and books of account unless the Port Authority indicates, in writing, that such records and books of account may be provided at a later date.

In the event the Contractor fails to provide the required records, or if PATH determines that the records and books of account provided for audit are incomplete, PATH may, at its sole discretion, estimate wages, supplemental benefits and non-overtime hours worked in order to determine whether the Contractor (or its subcontractors) was in compliance with the wages and supplemental benefits provisions of this contract.

- H. Further, the Contractor shall submit (and shall cause its subcontractors to submit) to PATH on the fifteenth day of the seventh month following the month in which the Commencement Date of this Contract falls and every six months thereafter, and the month following the month in which the termination date of this Contract falls, a certified statement signed by an executive officer of the Contractor (or its subcontractor) based upon the Contractor's (or subcontractors') payroll records showing straight time hours worked, total straight time Wages paid and Supplemental Benefits provided for each employee providing the Contractor's Services under the Contract for each month of the Contract during the six month period ending on the last day of the month preceding the date of submission of the said statement, together with such other detailed information as PATH may request from time to time regarding Wages and Supplemental Benefits paid or provided by the Contractor or its subcontractor to employees engaged in providing the Contractor's Services under the Contract. Each certified statement shall, at a minimum, contain the level of detail specified in Exhibit 2, attached hereto and made a part hereof.
- I. In the event that an audit of the Contractor's (or subcontractors) books and records or the aforesaid monthly statements submitted by the Contractor (or subcontractor) to PATH should disclose that for any Contract Year, either the Contractor or a subcontractor has not paid at least the Minimum Hourly Wages set forth herein (including any adjustments, if provided for, reflecting changes in the Consumer Price Index or other indices or instruments

as identified by PATH), the Contractor shall pay to the Contractor's employees who have not been paid the proper wages (or to PATH for retention by PATH until such time as the Contractor's employees are paid), or shall pay to the subcontractor's employees similarly affected or shall have the subcontractor so pay, at the option of PATH, an amount (calculated for the Contractor or subcontractor which has not paid or provided the required amounts hereunder) equivalent to the product obtained by multiplying the difference between the Minimum Hourly Wages required hereunder and the Hourly Wages actually paid or provided by the number of non-overtime hours worked by all employees of the subject Contractor or subcontractor employed during such Contract year, calculated per Paragraph C position category (hereinafter referred to as the "Underpayment Amount"). PATH may, in its discretion, elect to deduct the Underpayment Amount due from the Contractor in accordance with the provisions of this Section from any subsequent payment payable to the Contractor under this Contract plus an amount equal to any payroll and associated taxes which would have been paid on the Underpayment Amount from any subsequent payment payable to the Contractor under this Contract. PATH shall have the same recovery rights if an audit demonstrates that the Contractor has failed to pay or provide reasonable Supplemental Benefits as required by this Contract.

- J. In addition to the underpayment payable by the Contractor, PATH may deduct interest on the underpayment amount calculated at 19.2% annual interest from any subsequent payment(s) due to the Contractor under this Contract.
- K. If requested by PATH, the Contractor shall submit to PATH for approval, a plan for the Contractor's or subcontractors' return of the underpayment to each affected employee, including a deadline for compliance. In approving such a plan, PATH may require the Contractor or a subcontractor to return the underpayment to the affected employees in cash and the Contractor or the subcontractor is responsible for any additional payroll taxes resulting from this payment.

#### **Section 11. Customer Service Requirements and Customer Well Being Program**

PATH has established a policy that proactive, responsive, respectful and helpful customer service is of the utmost importance. This policy not only extends to all PATH employees and contractors, but also includes the companies whose staffs contact customers while providing services at the Facilities. In this regard, the Contractor hereby agrees to observe and comply with the provisions of Exhibit 5 entitled Customer service Requirements and Customer Well Being Program.

#### **Section 12. Increase/Decrease in Service**

- A. PATH shall have the right at any time and from time to time in its sole discretion, to increase or decrease the regularly scheduled service hours and days to be provided by the Contractor hereunder. The right of PATH under this paragraph to decrease regularly scheduled hours shall be limited so that no decrease shall be made that will result in a schedule which will be reduced more than 50% of the total hours scheduled during the immediately preceding 24 hour period nor increased by 50% of the total hours scheduled during the immediately preceding 24 hour period. In the event the PATH decides to increase or decrease schedule hours as aforesaid it shall give not less than twenty four (24) hours prior written notice to the Contractor to such effect, said changes to be effective upon the date specified in the said notice.

- B. PATH shall have the right to temporarily increase or decrease, on at least four (4) hours' notice to the Contractor, the hours previously scheduled to be provided under this agreement.
- C. PATH shall have the right to request, on less than four (4) hours' notice to the Contractor, that the Contractor provide hours in excess of those scheduled to be provided. The Contractor agrees to use its best efforts to fulfill each such request. Any such hours provided on less than four (4) hours' notice, as aforesaid, and only on less than four (4) hours notice, shall be compensated to the Contractor at one and one half times the hourly rate in effect at the time of providing such service.
- D. Nothing in this paragraph/section shall obligate or be deemed to obligate PATH to pay at any but the charge established hereunder for Fire Safety Director Service hours, as aforesaid, provided with four (4) or more hours' notice to the Contractor.
- F. PATH shall have the right to place and relocate Fire Safety Directors at the Facility from time to time and at any time without prior notice to the Contractor where such placements or relocation of fire safety director posts neither increases nor decreases the Contractor's overall staff.

**Section 13. AUTHORITY OF THE DIRECTOR/GENERAL MANAGER**

Inasmuch as the public interest requires that the services to which this Contract relates shall be performed in the manner which PATH, acting through the Director/General Manager, deems best, the Director/General Manager shall have absolute and sole authority to determine what is or is not necessary, proper for or incidental to the portion thereof specified in the clause hereof entitled "General Agreement" and the Contract Specifications shall be deemed merely his present determination on this point. In the exercise of this authority, the Director /General Manager shall have the power to alter the Contract Specifications and to vary, increase or diminish the character, quantity and quality of, or to countermand any work now or hereafter required. Such variations, increase, diminution or countermanding need not be based on necessity but be based on convenience.

**Section 14. AUTHORITY OF THE SUPERINTENDENT/MANAGER**

In the performance of the Contract, the Contractor shall conform to all orders, directions and requirements of the Superintendent/Manager, or his designee and shall perform the Contract to the satisfaction of the Superintendent/Manager or his designee at such times and place, by such methods and in such manner and sequence as they may require, and the Contract shall at all stages be subject to his inspection. The Superintendent/Manager or his designee shall determine the amount, quality, acceptability and fitness of all parts of the Work and shall interpret the Contract Specifications. The Contractor shall employ no equipment, materials, methods or workers to which the Superintendent/Manager or his designee objects, and shall remove no materials, equipment or other facilities from the site without permission.

Upon request, the Superintendent/Manager or his designee shall confirm in writing any oral order, direction requirements or determination.

The enumeration herein or elsewhere in the specifications of particular instances in which the opinion, judgment, discretion or determination of the Superintendent/Manager shall contract or in which the Contract shall be performed to his satisfaction or subject to his inspection, shall not imply that only the matters of nature similar to those enumerated shall be so governed and performed, but without exception the entire Contract shall be so governed and so performed.

Any approval by or on behalf of the Superintendent/Manager of any equipment, program, methods of procedure, or of any other act or thing done or furnished or proposed by the Contractor to be done or furnished in or in connection with the performance of Contract shall be construed merely to mean that at that time the Superintendent/Manager knows of no good reason for objecting thereof; and no such approval shall release the Contractor from his full responsibility for the accurate and complete performance of the Contract in accordance with the Contract Specifications or from any duty, obligation or liability imposed upon him by the Contract or from responsibility for injuries to persons or damage to property. All inspections are for the benefit of PATH and not for the benefit of the Contractor.

**Section 15. Holidays**

No additional compensation is provided hereunder for services provided on holidays.

**Section 16. Non-Performance of Services**

All assigned Contractor Personnel shall perform duties, as shall be established from time to time by the Manager or Superintendent, consistent with the terms and provisions hereof. The Contractor shall provide the Fire Safety Director Service at such times and places and in such a manner as the Manager or Superintendent shall direct or approve in accordance with the terms and provisions hereof. The Contractor shall immediately, upon the direction of the Manager or Superintendent correct all matters, which shall have been determined by the Manager or Superintendent to be unsatisfactory hereunder.

**Section 17. Insurance Procured By the Contractor**

The Contractor shall take out, maintain and pay the premiums on the below stated policy or policies of insurance, including but not limited to premises-operations and products-completed operations, broad form property damage, independent contractors coverage and personal injury coverage with a contractual liability endorsement covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also procure, maintain and pay premiums on Automobile Liability Insurance covering, owned, non-owned and rented vehicles in limits not less than the amounts set forth below:

## COMMERCIAL GENERAL LIABILITY INSURANCE

\$2 million combined single limit per occurrence for bodily injury and property damage liability. The contractual liability endorsement in the Commercial General Liability policy shall include coverage within fifty feet (50') of railroad property.

## AUTOMOTIVE LIABILITY INSURANCE

\$2 million combined single limit per accident for bodily injury and property damage liability.

Such policy or policies shall contain the following endorsements and appear on the certificate of insurance.

**"The insurer shall not, without obtaining express advance written permission from the General Counsel of PATH/Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of PATH/Port Authority, the immunity of PATH/Port Authority, its commissioners, officers, agents or employees, the governmental nature of PATH/Port Authority or the provisions of any statutes respecting suits against PATH/Port Authority."**

The liability policy or policies carried by the Contractor and Subcontractors must contain **"Cross-Liability/Severability of Interests coverage**, providing that the protection afforded the Contractor thereunder, with respect to any claim or action against the Contractor by a third person, shall pertain and apply with like effect with respect to any claim or action against the contractor by PATH, or against PATH by the Contractor, but said endorsement shall not limit, vary, change or affect the provisions afforded PATH as an additional insured.

**PATH shall be named as an additional insured in the policy or policies set forth above.**

In addition, the Contractor shall take out, maintain and pay premiums on **Workers' Compensation Insurance** in accordance with the requirements of the law in the state (s) where work will take place. The Policy shall include an endorsement for the **Federal Employers Liability Act (FELA)**, in a limit of \$1 million per accident.

*Certified copies of the policy or policies described above or a certificate or certificates evidencing the existence thereof shall be delivered to the General Manager, Risk Management/Treasury The Port Authority of New York and New Jersey, 225 Park Avenue South, 12<sup>th</sup> Floor, New York, NY 10003, within ten (10) days after the execution of this Contract by both PATH and the Contractor. Such policy or policies, certificate or certificates shall state the number of this contract and shall contain a valid provision or endorsement that the policy or policies may not be canceled, terminated, changed or modified without giving thirty (30) days written advance notice thereof to PATH. Renewal policies shall be delivered to the Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. If at any time any of the certificates or policies shall be or become*

unsatisfactory to PATH as to form or substance, or if the carrier issuing any such certificate or policy shall be or become unsatisfactory to PATH, the Contractor shall promptly obtain a new and satisfactory certificate and policy. Upon request of the General Manager, Risk Management, the Contractor shall furnish the Port Authority with a certified copy of each policy stated above. [CITS #2088N].

**Section 18. Gratuities**

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons using the Facility and shall so instruct its personnel.

**Section 19. Introduction**

The Temporary World Trade Center PATH Station is located at the World Trade Center site, on Church Street between Liberty Street and Vessey Street, New York, New York, 10048 at the east side of the site. The Station and all of the supporting structures are approximately 500,000 square feet. The Sub Station, which is part of the complex, is located on the South East corner of the facility. There is a secured entrance to the facility as well as a limited drop off and pick up access.

**Section 20. Fire Safety Director Responsibilities and Obligations:**

PATH requires the provision of a Senior Fire Safety Director and Fire Safety Directors to man the station 24 hours 7 days a week to perform Fire Safety Director services at PATH's Temporary World Trade Center station and/or other locations as determined. Fire Safety Directors duties will not be permitted to be subcontracted out to other companies. The Contractor must provide competent trained staff to perform this work.

**Their duties shall include, but not limited to, the following:**

a. **Maintain post coverage.**

Report hazardous or nuisance conditions, accidents, medical needs, fire and unusual incidents and activities within their assigned areas of coverage to the PATH Senior Fire Safety Director or other PATH Supervisory personnel or PATH Police as circumstances dictate.

b. **Communicate all radio transmissions to the PATH Senior Fire Director and/or the PATH Supervising Communications Agent.**

c. **Maintain a log of activity occurring during the tour making particular note of unusual incidents or activity.**

- d. Conduct hourly tours at the location.
- e. PATH Fire Safety Directors shall dress in uniform at all times while on duty.
- f. All PATH Fire Safety Directors shall be neat and well groomed, be clean in appearance without display of excessive ornamentation including visible body piercing or extra large fingernails while on post.
- g. PATH Fire Safety Directors shall wear a PATH approved vest or jacket with the words "PATH Fire Safety Director" on the back, while on tours and when responding to an incident.
- h. Fire Safety Directors shall not use personal cell/wireless telephone and/or communication devices while on post except as approved by the Manager/Superintendent.
- i. Fire Safety Directors shall wear either black, or navy blue socks (unless documented medical issues requires otherwise).
- j. Relief personnel are required for the PATH Fire Safety Directors.
- k. Perform all other specific responsibilities and duties as required by the Manager/Superintendent.

**In the event of a fire, Fire Safety Directors shall report to the Fire Command Station to supervise, provide for and coordinate:**

- a. Insure that the Fire Department has been notified of any fire or fire alarms.
- b. Manning of the Fire Command Station.
- c. Direction of evacuation procedures in the WTC Emergency Preparedness Plan
- d. Reports on conditions of fire floor for information for the Fire Department on their arrival.
- e. Advise the Fire Department Chief in charge in the operation of the Fire Command Station.

**Section 21. Senior Fire Safety Director Responsibilities and Obligations**

In addition to the above, the following are the Senior Fire Safety Directors responsibilities and obligations.

- a. The Senior Fire Director shall report to and take directions from the PATH System Safety & Security Manager/Superintendent or his or her designee.
- b. Be available on call twenty-four hours a day to assist and advise the Manager/Superintendent on the operations of the Contract hereunder.
- c. The Senior Fire Safety Director has direct supervisory responsibilities of Fire Safety Directors on post.
- d. Maintain Fire Safety Directors personnel files.
- e. Maintain Fire Safety Directors attendance/ lateness files.
- f. Make arrangements to replace Fire Safety Directors who must leave their post.
- g. Maintain daily logs of unusual incidents and requests for service.
- h. Issue equipment to Fire Safety Directors and maintain records of same.
- i. Be readily available to the Manager/Superintendent for compliance to orders, instructions, directions and information, given in writing or orally regarding the performance of services under this Contract.
- j. Maintain continuing contact with all Fire Safety Directors on duty.
- k. Insure that all posts are properly covered and equipped.
- l. Review each Fire Safety Director's memo book for conformity as directed by the Manager/Superintendent and sign such in red ink. Must include date and time.
- m. Senior Fire Safety Director shall have a demonstrated knowledge of rotating manpower schedules and shall perform administrative duties.
- n. Perform all other specific responsibilities and duties as required by the Manager/Superintendent, including but not limited to plan reviews, system inspections, fire department familiarization and exercise development.

The Contractor shall furnish the Fire Safety Director services at the Facility by staffing for a Senior Fire Safety Director, Monday thru Friday, 7am-3pm and Fire Safety Director posts at the Facility on a 24 hour per day, 7 day per week, 365 day per year (366 days during leap year) as follows:

<u>Hours of Coverage</u>	<u>Senior Fire Safety Director Posts</u>	<u>Fire Safety Directors Posts</u>
7 a.m. – 3 p.m.	1	1
3 p.m. – 11 p.m.		1
11 p.m.-7 a.m.		1

**NOTE:** The above schedules are subject to change as described in this Contract. PATH shall also have the right at any time and from time to time, in its discretion, on notice to the Contractor, to change the location and the number of any Fire Safety Director posts on the Facility.

**Section 23. Qualifications of Employees**

- A. The Contractor (and any subcontractor as may be approved by PATH shall furnish competent and adequately trained personnel to perform the Fire Safety Director Services required hereunder. Prior to assigning any personnel to the Contract, the Contractor shall furnish to the PATH, at no cost to the PATH, information concerning the qualifications of the Contractor's personnel and the work experience during the past ten (10) years to the satisfaction of the PATH. In addition, a personal interview may be required by the Manager/Superintendent prior to the assignment of any such personnel to this Contract.
- B. All staff assigned to this Contract must meet the following minimum requirements:
  - 1) All staff assigned to locations in New Jersey shall meet all the requirements of New Jersey Statutes Annotated Title 45 Section 19-16, or any successor legislation, (including but not limited to, the satisfactory completion of the specified fingerprint checks).
  - 2) All staff assigned to locations in New Jersey shall not be under indictment or information for any high misdemeanor or any other offense specified in New Jersey Statutes Annotated Title 45 Section 19-16."
  - 3) All personnel assigned to locations in New York shall meet all the requirements of the New York State Local Law – Section 71, Article 7-A entitled "Security Guard Act", or any successor legislation, (including but not limited to, the satisfactory completion of the specified fingerprint checks).

- 4) All personnel assigned to locations in New York shall not be under indictment or information for any felony or any other offense specified in New York State Law – Section 71, Article 7A entitled “Security Guard Act.”
- 5) Must pass a written test administered by the New York City Fire Department Bureau of Fire Prevention.
- 6) Must have a minimum of five (5) years of applicable experience in fire prevention, building service equipment or a satisfactory combination.
- 7) Must satisfactorily complete (attend and pass) a training course for Fire Safety Director given by a school or other organization accredited by the Fire Department of New York.
- 8) Must obtain a passing score of 70% on the Graduation Test, given by the New York Fire Department accredited schools, in order to apply for the written test.
- 9) Have provided to the Contractor a detailed listing of the work experience for not less than the prior ten (10) years, which work history shall include character and business references.
- 10) Have provided to the Contractor a detailed listing of the qualifications and prior work experience directly related to fire safety director, fireman, guard, police or watchman service.
- 11) Must be a United States citizen or an alien legally authorized to work in the United States as required hereunder.
- 12) Must possess a valid Social Security Number.
- 13) Must possess a high school diploma obtained in the United States of America or a general equivalency diploma obtained in the United States of America.
- 14) Must possess and maintain a valid driver’s license for the operation of motor vehicles in the State of New York or New Jersey.
- 15) Must demonstrate the ability to write, read and speak English, which may include, at the discretion of PATH, the satisfactory completion of the standard Test of English as a Foreign Language or its equivalent.
- 16) Must have a minimum of two (2) years experience in any one of the following or any combination of the following:
  - a) A fire safety director, fireman, guard, watchman or police position; or
  - b) Service in the United States Military Services in a police or military security position; or

c) Attendance at an accredited institution of higher learning in criminal justice or police science at the rate of 32 credits per year, prorated proportionately for partial years. Where the institution has awarded less than 32 credits for each year of study, such additional attendance shall be required as is necessary to earn additional credits.

17) Must pass a physical examination prior to the Commencement Date of the Contract and within each 12 month period thereafter during the term of the Contract, arranged for by the Contractor and administered at the sole cost and expense of the Contractor, which indicates general good health without physical defects or abnormalities which would interfere with the performance of fire safety director duties hereunder including, but not limited to, the following:

- a) Not less than 20-30 corrected vision in each eye.
- b) No color confusion or impairment color and depth perception.
- c) Unimpaired hearing.
- d) Contractor personnel on this Contract hereunder shall pass drug-screening tests, including a comprehensive ten-panel drug screen or its equivalent, to include screens for the following. The tests shall be administered by and at the sole cost and expense of the Contractor, at the commencement of the Contract, and prior to hiring of all new employees, and randomly thereafter at the written request of the Port Authority

Amphetamines	Cocaine	Benzodiazepenes
Barbiturates	Methadone	Opiates-
Marijuana	Methaqualone	Morphine-if indicated
Phencyclidine (PCP)	Propoxyphene	Codeine-if indicated
		6MAM-if indicated

The drug-screening test shall be conducted by an independent firm (other than the Contractor) who shall be approved by the Port Authority. This shall be conducted at no cost to the Port Authority.

18) Must be capable of performing normal or emergency duties including arduous physical exertion such as standing or walking an entire shift, climbing stairs and ladders, lifting and carrying objects weighing up to 50 lbs., running and enduring exposure to extreme weather conditions for an entire shift. May require periods of prolonged standing.

Senior Fire Safety Directors shall have basic knowledge of computer applications and operating systems such as Windows 2000, Word and Excel.

Persons assigned prior to the Commencement Date of this Contract at the Facility by the immediately preceding fire safety director services Contractor, who do not meet the requirements of subsection B, may not be assigned by the Contractor, without the express permission of the Manager or Superintendent.

The Manager or Superintendent shall have the right to waive any of the aforementioned requirements if, in the sole opinion of PATH special circumstance warrant such action.

#### **Section 24. Personnel Folders**

Prior to the commencement of the Contract and during the term of the Contract, the Contractor shall furnish the Manager or Superintendent with personnel folders of all employees who may be assigned to the Facility hereunder; said folders to contain the material relating to the qualifications and requirements set forth in Section hereof entitled "Qualifications of Employees" including but not limited to, references, educational background, fingerprinting data, photo identification, proof of driver's license, reports of physical examinations, disciplinary actions and other pertinent material. Said personnel folders shall be supplemented and amended by the Contractor from time to time as necessary to keep them current. These records shall be retained by and become the property of PATH.

#### **Section 25. Training Provided by the Contractor**

- A. An initial job and customer service training and/or orientation course (hereinafter referred to as the "Initial Training") shall be taken by all the staff assigned to this Contract. In addition to the Initial Training, a Leadership Training Program for management and supervisory staff (hereinafter referred to as the "Leadership Training") shall be taken by all Senior Fire Safety Directors. No compensation will be paid by PATH for the required training of the Contractor's employees.

The Initial Training shall be approximately five (5) days and the Leadership Training shall be approximately (3) three days in duration. Except as may be waived by the Manager or Superintendent, the Contractor may not assign to the Facility any Senior Fire Safety Director or Fire Safety Director, unless he/she has completed the Initial Training or any Tour Supervisors or Project Manager unless he/she has completed the Initial and Leadership Training.

- B. The Manager or Superintendent may institute additional training programs from time to time, as he/she deems necessary. No compensation will be paid to the Contractor by PATH for the additional training programs.
- C. A syllabus for the Initial Training shall be developed by the Contractor and shall be subject to the prior and continuing approval of the Manager or Superintendent and shall include, but will not be limited to, the following subjects and any other relevant subjects as the Manager Superintendent may deem appropriate. This shall be available at the commencement of the Contract.
- 1) Understanding, meeting/exceeding the customer's needs
  - 2) An in-depth knowledge of all appropriate security procedures
  - 3) Understanding of Customer Service Requirements and Customer Well Being Program and proficiency with all applicable areas of the Standards Manual.
  - 4) Geographic orientation and indoctrination.
  - 5) Facility Operations – familiarization with the services provided at the facility, locations and ground transportation services

- 6) Communicating with Customers and Co-workers:
  - (aa) Professional telephone conduct
    - (bb) Facility terminology
      - a. Effective and appropriate oral and interpersonal communications
      - b. Handling Customer complaints
      - c. Conflict resolution and dealing with irate customers
- 7. Understanding the needs and concerns of disabled customers and how to address these needs. This includes all types of disabilities.
- 8. Specific duties and reporting relationships.
- 9. *Post assignments and work schedules.*
- 10. Familiarization with, and applicable procedures related to, required forms and tour reports.
- 11. Appropriate ethics and conduct.
- 12. Professional appearance standards.
  - 13. Appropriate emergency procedures and notifications.
- 14. Traffic safety
- 15. Contractor's Mission Statement
- 16. Progressive discipline.
- 17. Maintaining a safe work environment and utilizing safety work practices.
- 18. Radio usage, terminology and procedures.
- 19. Behavior Pattern Recognition-Training in the use of intuition, powers of observation and human interaction and natural curiosity to investigate and analyze potential threats from situations, persons and the immediate environment.

D. A syllabus for the Leadership Training shall be developed by the Contractor and shall be subject to the prior and continuing approval of the Manager/Superintendent, which shall include but not be limited to the following subjects and any other relevant subjects the Manager/Superintendent may deem appropriate:

- (1) Performance management and quality control.
- (2) Setting examples of core values for the workplace.
- (3) Administering progressive discipline.
- (4) Leading and motivating employees.
- (5) Inspiring individuals to achieve excellence.
- (6) Conflict resolution.
- (7) Setting priorities.
- (8) Dealing with irate customers.
- (9) Customer service standards and requirements.
- (10) Managing a diverse workforce
- (11) Maintaining a safe work environment.
- (12) *Incident reporting and log entries.*

**Section 26. Training Provided by PATH**

- A. Training for Senior Fire Safety Directors and Fire Safety Directors providing services hereunder shall be mandatory. The Fire Safety Director training program shall be conducted by PATH at such times as it determines in its sole discretion and at PATH's cost and expense. All Fire Safety Directors must receive the same type of training. Hours spent by the Contractor's employees in training shall be included as Fire Safety Director post coverage hours under the Contract and the Contractor shall be reimbursed as provided for such post coverage herein. The Contractor acknowledges that it is of the utmost importance in the performance of this Contract to make every effort to present as candidates for the Fire Safety Director training program only those persons who are qualified and willing to accept a position as a Fire Safety Director. The Contractor shall screen and attempt to select individuals who they believe can satisfactorily complete the training program and otherwise fulfill the responsibilities of and meet the requirements for Fire Safety Directors. All candidates proposed by the Contractor for the Fire Safety Director training program must be interviewed by PATH. PATH may utilize further screening procedures as shall be deemed necessary from time to time by the Manager/Superintendent to insure compliance with the terms and conditions of the Contract.
- B. From time to time the Manager/Superintendent, at his/her discretion, may institute an in-service refresher-training program, as he/she deems necessary or desirable for any or all of the Contractor's employees hereunder. Such training programs will be provided at the sole expense of PATH and all hours of attendance of the Contractor's employees in such a program shall be deemed hours of post coverage hereunder. No overtime will be paid unless PATH requests this training on less than four (4) hours notice. The Contractor shall be reimbursed for the time expended by Fire Safety Directors in such training at the applicable hourly rate. The Contractor agrees to cooperate and assist PATH as may be required from time to time to facilitate the training of the Contractor's personnel hereunder.
- C. **Orientation and Training Provided by the PATH**

In addition to the training provided by the Contractor in Section hereof entitled "Training Provided by the Contractor", staff assigned to the Work of this Contract will be required to participate in the following training programs provided PATH:

New Hire Orientation Training

New Hire Orientation consists of a review of the safety rules in PATH's Book of Rules, an explanation of safety precautions and procedures to be observed while working in a railroad environment and the Roadway Worker Protection regulations stipulated by the Federal Railroad Administration (FRA) and must be certified to enter into the track area. The level of certification is based on contractor's job duties.

The second portion of orientation involves receiving information on the following occupational health and safety topics:

Hazard Communications  
Bloodborne Pathogens  
Ergonomics  
Safety and Tool usage

This training is scheduled for a 2.5 hours time period.

2) **On Track Safety:**

Contractor duties whose duties require them to be on or near the track area for inspection, construction, maintenance or repair of track, bridges, roadway, signal and communication systems, electric traction systems or operation of roadway maintenance machinery.

The course describes the safety and operating rules that protect roadway workers from accidents and casualties caused by moving rail cars, locomotives or roadway maintain machines. Participants will:

- Understand the definition of Track protection and the requirements of the FRA Roadway Worker Protection (49 CFR 214 SubpartC)
- Understand the PATH Book of Rules, specifically Signal Rules, Rules for the Protection of Employees in track areas. In addition some Rules for the use of Radio and Telephone Systems (600 series) will be discussed
- Discuss examples regarding the various On Track Safety procedures
- Review information necessary for the written exam.

This training is scheduled for three (3) hours.

**The Orientation and Training as described in paragraph "(C)" above will be given by PATH. No overtime will be paid unless the PATH requests this training on less than four (4) hours notice. In addition, PATH may require employees, supervisors and management staff to participate in other training as needed. The Contractor shall be paid for the hours expended in training by those employees whose hours of work are separately billable hereunder.**

**.Section 27. Contractor's Audit Program**

The Contractor shall implement an audit program wherein Contractor management/ supervision ensures that their employees performing on this contract are adequately trained/knowledgeable and equipped to perform their various functions and are performing them effectively in accordance with the Contract requirements. The Contractor shall propose to PATH for their approval the various performance elements to be audited, the measurement criteria to be utilized, the form to be utilized for documenting such audits and the frequency of such audits. Results of these audits will be reviewed with PATH on a prescribed basis along with corrective

action where contract criteria are not being met. The program shall be reviewed and amended as necessary to encompass new procedures, policies, functions and related job knowledge.

The Contractor's Audit Program shall be accomplished as an included Contractor cost and shall be at no additional cost to PATH.

## **Section 28. Uniforms**

A. The Contractor shall provide and pay for a distinctive uniform for all of the Contractor's personnel. Without limiting the generality of any other term or provision hereof, initial supply costs and all subsequent costs attendant with the cleaning and replacement of the aforementioned uniforms shall be borne solely by the Contractor. At the expiration or earlier termination of the Contract, the uniforms shall be and become the sole property of the PATH. A PATH patch shall be affixed to each shirt, safety vest, jacket, blazer or outer garment as directed by PATH. The Contractor's personnel shall not wear any insignia, badges, buttons, patches or embroidered emblems or letters, which identifies the Contractor's company or corporate name. The basic uniform will also include foul weather and winter gear. The Contractor shall supply its personnel, at no cost to PATH; with related uniform equipment as specified in the Port Authority Uniform Standards appearing in Exhibit 3 attached hereto and hereby made part hereof. All uniforms, colors, types and styles shall be subject to the prior and continuing approval of the Manager or Superintendent.

- B. The Contractor shall be responsible for ensuring that its employees at all times wear their required uniforms and appropriate steel toed safety shoes, (ANSI Z21) and it shall cause its employees to change to freshly cleaned and pressed uniforms at least once every other day. Uniforms shall be supplied by the Contractor in the minimum quantities indicated in Paragraph "E" of this Section and conform to the specifications set forth in Exhibit 3 attached hereto and hereby made a part thereof.
- C. PATH may require the Contractor to affix certain distinctive insignia or shields on the uniforms worn by its personnel. PATH shall supply such insignia to the Contractor. All such insignia must be returned to PATH at the termination of the Contract. The Contractor shall be liable for loss of any or all insignia or equipment provided by the PATH.
- D. The Contractor shall provide and its employees shall wear, carry or display as required by the Manager/Superintendent a badge, number or some other appropriate means of picture identification, which shall be subject to the prior and continuing consent of PATH in writing. None of the costs of such badges, means of identification and uniforms (or replacements hereof) shall be reimbursed to the Contractor.
- E. Each uniform issue shall consist of the following:
- (12) Twelve shirts - six (6) winter long sleeve and six (6) summer short sleeve
  - (6) Turtleneck Shirts
  - (1) One belt
  - (4) Four pairs of slacks - summer/winter weight
  - (2) Two pair winter gloves - black

- ( 2) Ties (safety)
- ( 2) One hat winter/one hat summer
- ( 1) One pair shoes - black
- ( 1) One raincoat with hat protector
- ( 1) Winter ear protector - black
- ( 2) Two sweaters
- (1) Safety Vest Lime Green with silver reflective stripes lettered with PATH Fire Safety Director on back.
- ( 1) One pair rubber boots (long) - black
- ( 1) One winter parka

F. *If the Contractor is unable to provide its employees with uniforms as specified above for a period of up to forty-five (45) days after the commencement of the Contract, the Contractor, shall not be deemed in default hereunder provided, however, that all employees during said period shall be properly and uniformly dressed in a style and color uniform utilized regularly by the Contractor and subject to the prior approval of the Manager or Superintendent. Effective forty-five (45) days after the commencement of the Contract, Paragraphs "A" through "E" above shall be controlling, and all uniform requirements and specifications shall be deemed in full force and effect.*

G. Without limiting any other terms or provisions of the Contract, failure of the Contractor to provide that its employees are suitably attired and outfitted will be deemed a breach of the Contractor's obligations hereunder. Employees will not be permitted to work their assigned tour unless properly attired in accordance with the provisions of this Section and liquidated damages will be assessed if a post is left unfilled as a result.

#### **Section 29. Radios and Other Related Equipment**

- A. PATH shall furnish to each Senior Fire Safety Director and Fire Safety Director assigned to a post, portable two-way radio voice communication equipment Motorola MT200 radios capable of adequate communications to the PATH Control Center and throughout PATH. PATH will also supply antennas, power supplies, batteries and other equipment associated therewith. It is the Contractor's responsibility to replace any lost or damaged radio.
- B. The Contractor shall, at its sole cost and expense, issue a wireless phone to each Senior Fire Safety Director and Fire Safety Directors assigned for use during the tour. The Contractor shall provide to PATH once a month, an inventory of all wireless phones setting forth the number and condition of the same. The wireless phone must be tested at the site to assure, it will operate in all areas.

**PART II - STANDARD CONTRACT TERMS AND CONDITIONS**

**(NOTE: STANDARD CONTRACT TERMS & CONDITIONS - PATH (PAGES 1 - 26) IS ANNEXED AFTER EXHIBIT B - "CERTIFIED ENVIRONMENTALLY PREFERRED PRODUCTS/PRACTICES")**

## **PART III - COST PROPOSAL FORM CONTRACTOR'S PRICE SHEETS**

### **INSTRUCTIONS FOR ENTRY OF CHARGES**

- A. The prices quoted shall be written in ink, preferably black, in figures where required in the spaces provided on the Cost Proposal Form attached hereto and made a part hereof.
- B. All Proposers shall insure that all charges quoted for similar items in this Contract are consistent and meet the wage requirements set forth in this document.
- C. All Proposers shall insure that all figures are inserted as required and that all computations made have been verified for accuracy.
- D. Proposers are advised that PATH may verify only that Proposal or those Proposals, which it deems appropriate and may not check each Proposal submitted for computation errors. In the event errors in computations are made by the Proposers, PATH reserves the right to recompute any and all amounts set forth by the Proposers in accordance with the figures submitted by the Contractor, and in the event of a discrepancy, the "Hourly Charges" and "Monthly Charges" shall prevail.
- E. The "Total Estimated Contract Price" is for Proposal comparison purposes only. Payment hereunder shall be on the basis of actual work performed in accordance with the terms and conditions of this Contract.

**Cost Proposal Form**  
**FIRE SAFETY DIRECTOR SERVICES**  
**Estimated Items**  
**First Year**

	<u>Estimated Annual Hours</u>	x	<u>Hourly Charges</u>	=	<u>Estimated First Year Charge</u>												
1. Senior Fire Safety (A) Director	2080	x	\$ _____	=	\$ _____												
2. Fire Safety Director \$ _____ (B)	8760	x	\$ _____	=													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;"></th> <th style="text-align: center;"><u>Monthly Charge</u></th> <th style="text-align: center;">x</th> <th style="text-align: center;"><u># of Months</u></th> <th style="text-align: center;">=</th> <th style="text-align: center;"><u>First Year Charge</u></th> </tr> </thead> <tbody> <tr> <td>3. Management Fee \$ _____ (C)</td> <td style="text-align: center;">\$ _____</td> <td style="text-align: center;">x</td> <td style="text-align: center;">12 months</td> <td style="text-align: center;">=</td> <td></td> </tr> </tbody> </table>							<u>Monthly Charge</u>	x	<u># of Months</u>	=	<u>First Year Charge</u>	3. Management Fee \$ _____ (C)	\$ _____	x	12 months	=	
	<u>Monthly Charge</u>	x	<u># of Months</u>	=	<u>First Year Charge</u>												
3. Management Fee \$ _____ (C)	\$ _____	x	12 months	=													
<b>Estimated Annual Contract Charge- First Year</b> (A)+(B)+(C)=(D)					= \$ _____ (D)												

Please note: No direct reimbursement is provided in the Contract for among other things, uniforms, office supplies, office telephone service, wireless phones, certain training etc., and accordingly the Contractor should consider these costs in determining its hourly charges and Management Fees. Also in computing the hourly charges please refer to the section entitled "Wages and Supplemental Benefits."

The quantities set forth in the Cost Proposal Form are estimated only for the purpose of Proposal comparison. The Port Authority makes no representations as to what the actual quantities may be. The Contractor's compensation will be computed based solely on the actual services provided.

**EXHIBIT 1**

**PROPOSER REFERENCE FORM**

Name of Proposer: \_\_\_\_\_

Please provide a list of references on the firm's performance of similar work within the last five years, including all current contracts. Use additional sheets as necessary.

Include the following information for each reference:

Customer Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Phone \_\_\_\_\_ and \_\_\_\_\_ Fax \_\_\_\_\_ Numbers \_\_\_\_\_ of

Contact: \_\_\_\_\_

Contract date(s): \_\_\_\_\_

Contract cost: \_\_\_\_\_

Description of work: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Customer Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Phone \_\_\_\_\_ and \_\_\_\_\_ Fax \_\_\_\_\_ Numbers \_\_\_\_\_ of

Contact: \_\_\_\_\_

Contract date(s): \_\_\_\_\_

Contract cost: \_\_\_\_\_

Description of Work: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Customer Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Phone \_\_\_\_\_ and \_\_\_\_\_ Fax \_\_\_\_\_ Numbers \_\_\_\_\_ of

Contact: \_\_\_\_\_

Contract date (s): \_\_\_\_\_

Contract cost: \_\_\_\_\_

Description of work: \_\_\_\_\_

## EXHIBIT 2

### **INSTRUCTIONS FOR CALCULATION OF AVERAGE HOURLY RATE FORM**

**Attached are the "Calculation of Average Hourly Rate" forms for the enumerated positions under this Contract, for each year of the Base Term. A separate form is required for each employee category. The Proposer shall use these forms in support of the Wages and Supplemental Benefits Clause required under this Contract.**

**Nothing in the forms shall modify the requirements of the clause entitled, "Wages and Supplemental Benefits" or the terms and conditions of the subject Contract.**

PROPOSER NAME: \_\_\_\_\_

PROPOSAL NUMBER \_\_\_\_\_

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
SENIOR FIRE SAFETY DIRECTOR

**ITEM #1**

AVERAGE HOURLY DIRECT WAGES \$ \_\_\_\_\_  
NUMBER OF EMPLOYEES \_\_\_\_\_

**ITEM #2**

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

HOLIDAY ALLOWANCE \$ \_\_\_\_\_  
VACATION ALLOWANCE \$ \_\_\_\_\_  
SICK TIME ALLOWANCE \$ \_\_\_\_\_  
PENSION \$ \_\_\_\_\_  
HEALTH \$ \_\_\_\_\_  
WELFARE \$ \_\_\_\_\_  
OTHER SUPPLEMENTAL BENEFITS \$ \_\_\_\_\_  
SPECIFY \_\_\_\_\_

NUMBER OF  
DAYS PROVIDED

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUB TOTAL (ITEMS # 1 & 2) \$ \_\_\_\_\_ sub 1 & 2

**ITEM #3**

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.L.C.A. \$ \_\_\_\_\_  
N.Y.S.U.I. \$ \_\_\_\_\_  
F.U.I. \$ \_\_\_\_\_  
WORKERS' COMPENSATION \$ \_\_\_\_\_  
GENERAL LIABILITY INSURANCE \$ \_\_\_\_\_  
DISABILITY INSURANCE \$ \_\_\_\_\_  
OTHER TAXES AND INSURANCE \$ \_\_\_\_\_  
SPECIFY \_\_\_\_\_

**ITEM #4**

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL \$ \_\_\_\_\_  
UNIFORMS \$ \_\_\_\_\_  
EQUIPMENT \$ \_\_\_\_\_  
MATERIALS \$ \_\_\_\_\_  
SUPPLIES \$ \_\_\_\_\_  
RELIEF \$ \_\_\_\_\_  
ROLL CALL \$ \_\_\_\_\_  
OTHER COMPONENTS NOT SPECIFIED ABOVE \$ \_\_\_\_\_  
SPECIFY \_\_\_\_\_

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT \$ \_\_\_\_\_

TOTAL (ITEMS # 1, 2, 3 & 4) \$ \_\_\_\_\_

PROPOSER NAME: \_\_\_\_\_

PROPOSAL NUMBER \_\_\_\_\_

PATH WORLD TRADE CENTER STATION  
NEW YORK, NEW YORK  
FIRE SAFETY DIRECTOR

**ITEM # 1**

AVERAGE HOURLY DIRECT WAGES \$ \_\_\_\_\_  
NUMBER OF EMPLOYEES \_\_\_\_\_

**ITEM # 2**

AVERAGE SUPPLEMENTAL BENEFITS  
(ITEMS NOT REQUIRED BY LAW)

	\$ _____	NUMBER OF DAYS PROVIDED _____
HOLIDAY ALLOWANCE	\$ _____	_____
VACATION ALLOWANCE	\$ _____	_____
SICK TIME ALLOWANCE	\$ _____	_____
PENSION	\$ _____	
HEALTH	\$ _____	
WELFARE	\$ _____	
OTHER SUPPLEMENTAL BENEFITS	\$ _____	
SPECIFY _____		

SUB TOTAL (ITEMS # 1 & 2) \$ \_\_\_\_\_ sub 1 & 2

**ITEM # 3**

AVERAGE TAXES AND INSURANCE  
(ITEM REQUIRED BY LAW)

F.I.C.A.	\$ _____
N.Y.S.U.I.	\$ _____
F.U.I.	\$ _____
WORKERS' COMPENSATION	\$ _____
GENERAL LIABILITY INSURANCE	\$ _____
DISABILITY INSURANCE	\$ _____
OTHER TAXES AND INSURANCE	\$ _____
SPECIFY _____	

**ITEM # 4**

AVERAGE ADDITIONAL COMPONENTS  
(IF APPLICABLE)

VEHICLE/MTCE/FUEL	\$ _____
UNIFORMS	\$ _____
EQUIPMENT	\$ _____
MATERIALS	\$ _____
SUPPLIES	\$ _____
RELIEF	\$ _____
ROLL CALL	\$ _____
OTHER COMPONENTS NOT SPECIFIED ABOVE	\$ _____
SPECIFY _____	

AVERAGE GENERAL ADMINISTRATIVE COSTS, OVERHEAD  
AND PROFIT \$ \_\_\_\_\_

TOTAL (ITEMS # 1, 2, 3 & 4) \$ \_\_\_\_\_

### EXHIBIT 3

#### UNIFORM SPECIFICATIONS:

#### FIRE SAFETY DIRECTOR

##### 1. SHIRTS - Male and Female

Style: Oxford  
Fabric: 2x2 Tropical Summer/Winter Weight - 65%  
Dacron  
polyester/35% combed cotton  
Color: French Blue Body  
Basic Features: Plain front coat style, collar attached, shoulder  
straps, two outside breast pockets.  
Winter: Long sleeves - quantity 6  
Summer: Short sleeves - quantity 6

Turtlenecks (2) - Male and Female - Color: Navy

##### 2. PANTS - Male and Female

Style: Dress Pants  
Color: Gray  
Fabric: Blend - 55% Dacron polyester, 45% worsted  
wool  
Design: Plain front with quarter top pockets and two  
back pockets,  
2" belt loops.  
Quantity: 4 - Male and Female

##### 4. HATS - Male and Female

Style: To be Determined  
Color: Navy  
Quantity: 2

\* Holders must be provided for storage in lockers.

##### 5. TIES - Male and Female

Style: Standard  
Fabric: Dacron and Wool Blend  
Width: Approximately 3 1/2"  
Color: Burgundy - Regular and Long Length  
Quantity: 2

## 6. SPECIFICATIONS FOR BELTS

General:	The belt is to be made of seven ounce durable top grain cowhide leather with plain finish and half lined. The buckle is to be nickel plated.
Width:	2 ¼"
Style of Buckle:	Hook on
Color:	Black
Quantity:	1

## 7. COATS:

Style:	Trooper Reefer Coat with fur collar – capable of withstanding sub-zero temperature and high winds with badge tap reinforcement on left side.
Fabric:	Winter weight
Color:	Burgundy/stenciled with PATH Fire Safety Director
Quantity:	1

## 8. WINDBREAKER

Type:	Fleece lined for Spring through Fall use
Color:	Burgundy/Stencil with PATH Fire Safety Director on the back
Style:	Four button, snaps with pockets
Quantity:	2

## 9. FOUL WEATHER GEAR

Type:	Reflective orange with hood
	Black boots
Quantity:	1

## 10. SWEATERS

Type:	Commando
Color:	Navy/Stenciled with PATH Fire Safety Director
Style:	Pullover with reinforced area over right breast for shield
Quantity:	2

## 11. NAME PLATES:

Each employee shall be supplied and wear a nameplate, affixed over the right breast pocket of the outermost garment. Plate is to be engraved:

LAST NAME - BADGE #

Color:	Gold
Quantity:	1

12. WHISTLE:

Each employee will be supplied a brass whistle with chain

Quantity: 1

13. WINTER GEAR

Winter coverall for construction: shell to be 100% nylon, fabric to be waterproof coated, lining insulated to withstand 20 degrees below zero.

Quantity: 2

Color: Navy/Stencil with PATH Fire Safety Director

**D. SENIOR FIRE SAFETY DIRECTOR**

Senior Fire Safety Director requirements shall be the same as outlined in Appendix D, except for the following:

1. JACKET

Style: Blazer – 2 button, single breasted, soft shoulder, plain back with center vent. ¼" edge and pocket stitching, metal buttons, fully lined  
Color: Navy Blue  
Fabric: Medium – Summer/Winter Weight  
Quantity: 2

2. SHIRT / BLOUSE – Male and Female \*

Color: Light Blue

3. PANTS / SKIRT

Color: Navy Blue

2. TIE / SCARF

Color: Striped Red / Navy

5. COATS:

Style: Reefer Coat with fur collar – capable of withstanding *sub-zero temperature and high winds* with badge tap reinforcement on left side.  
Fabric: Winter weight  
Color: Burgundy  
Quantity: 1

**6. WINDBREAKER**

Type:	Fleece lined for Spring through Fall use/SECURITY stencil on back
Color:	Burgundy
Style:	Four button, snaps with pockets
Quantity:	2

**7. FOUL WEATHER GEAR**

Type:	Lime Green with hood, and black boots
Quantity:	1

**EXHIBIT 4**

NOT - APPLICABLE

## EXHIBIT 5

### CUSTOMER SERVICE REQUIREMENTS AND CUSTOMER WELL BEING PROGRAM

The Port Authority has established a policy that proactive, responsive, respectful and helpful customer service is of the utmost importance. This policy not only extends to all Port Authority employees and contractors, but also includes the companies (Facility partners) whose staffs contact customers while providing services at the Facilities. Many of the employees providing the services under this Agreement are involved directly with the Facilities' customers. The demeanor and attitude of the Contractor's employees, including supervisory staff, will leave customers with a lasting impression of the Facilities. The Authority is interested in evaluating proposals from contractors willing to rise to the challenge of providing the services as described herein, in a manner befitting world class Facilities, as further described in the Request For Proposals and Form of Contract, and to become an important member of the Facility community, dedicated to meeting and exceeding the needs of the Facilities customers.

The Port Authority conducted ongoing customer satisfaction surveys that identified Courtesy \*, Professionalism and Security Awareness of Facility Employees, Signs and Directions, Facility Cleanliness and Condition, Quality and Variety of Food, Beverage and Retail Services, Gate Area Experience, Shorter Queuing Times and Facility Access as the current drivers of customer satisfaction, and that improvements in those areas would maximize any efforts in exceeding customers' expectations. At its sole expense, the Port Authority currently retains independent third party contractors to conduct a quality assurance program of random surveys and inspections to measure performance consisting of, but not limited to, the "Mystery Shopper Program", the "Annual Terminal-by-Terminal Inspection Program" and the "Annual Terminal-by-Terminal Survey Program", hereinafter referred to as the "Programs". The Programs elicit information on staff courtesy\* and helpfulness, cleanliness and condition of the facilities and equipment, staff appearance and such other measures of performance and compliance with standards referenced in the "Facility Customer Service Standards" manual as exhibited elsewhere in this document. Additionally, the Programs will be conducted by persons trained by the independent contractor who shall base their evaluations on both their interactions with and observations of the contractor's staff, operations and facilities.

In order to ensure that contractors provide excellent performance and superior customer service, the Proposer must clearly demonstrate to the satisfaction of the Port Authority, that it will meet and exceed expectations with respect to performance under this Contract through the understanding and adoption of the following:

- \* Courtesy as used in this section shall encompass employee attitude, employee appearance and employee knowledge.

#### A. Facility Customer Service Standards

The Port Authority has committed to an aggressive, on-going service improvement campaign to ensure that staff provides superior levels of service that consistently exceed customer expectations. With input from its Facility partners, the Port Authority has adopted Facility Customer Service Standards that identify the aspects of Facility services that impact customer satisfaction and provide a means by which the services provided can be measured and tracked. *The Proposer shall be responsible for, and take all necessary measures to ensure compliance by all staff.*

#### B. Hospitality and Courtesy Program

Delivering a consistent quality of service within an Facility is a challenging task, since most of the process steps are planned and carried out by individual companies, following their internal regulations, philosophy and identity. To minimize any differences that may compromise the delivery of superior services at the Facilities, the Port Authority has adopted a mission statement set forth in the Section entitled *Port Authority / Aviation Mission Statement and expects every "Facility partner" to share in that principle.*

One of the key goals of the Port Authority is to demonstrate the value of customer service orientation throughout the entire Facility operation. Hence, the Port Authority's aim is to involve all employees who are in direct contact with the public. *A team approach* is required to develop a program that enables the Port Authority to create a common philosophy, language and set of behaviors for all companies and their employees concerning courtesy and hospitality at the Facilities. The aim is to create a customer-centric quality service culture and an "I can make a difference" attitude among all Facility employees. *It is believed that only under this prerequisite can service excellence be achieved.*

To help achieve service excellence, the Port Authority will continue to refine the hospitality and customer well being program by developing; (1) hospitality training modules, (2) an employee recognition and award program and, (3) establishing performance councils where strategies for improved customer well being will be formulated through an environment of mutual input, communication and cooperation. Training modules will supplement the contractor's own training programs for improving courtesy of employees and performance councils membership shall include management representatives from airlines, terminal operators, retail, food and beverage services who will sponsor and implement the employee recognition and award program for all Facility employees.

##### 1. Contractor "Total Quality Service" Commitment

Establishing and maintaining excellence in quality service begins long before the front-line staff ever comes in contact with the customers. It begins with a genuine commitment on the part of management to foster a Total Quality Service Culture by making our Facilities a safe and convenient place to be for our customers,

partners and Facility employees and improving and maintaining customer satisfaction with the Facility experience.

Long-term changes in Facility culture happen as a result of step-by-step changes and day-to-day learning. In order for permanent change to occur, an integrated structure must be designed to foster and support the skills learned by management and staff in any training programs they attend.

It is expected that all organizations entering into a service agreement with the Port Authority will be able to demonstrate a "Total Quality Service Culture" through an in-house series of employee training and incentive programs. The ability of the contractor to incorporate and maintain the overall Port Authority goals and methods will be assured throughout the term of the contract through participation in the "Total Quality Service" program. To that end, the Contractor shall develop a plan that identifies how -

- a. they communicate with internal staff as well as customers.
- b. they develop service standards and promote excellence.
- c. they design service strategies that work.
- d. they deliver quality service.
- e. they check for customer satisfaction.

### **C. Contract Mission and Compliance**

From and after the Effective Date and continuing throughout the balance of the term of the Agreement, including the option periods if any, the Contractor shall develop and establish a customer service program and mission statement that incorporates the mission and vision of the Port Authority's Aviation Department. To that end, the Aviation Department's Mission and Vision Statements are:

#### **Mission:**

To plan, develop, promote, operate and maintain a unified system of regional Facility facilities, providing the region with unsurpassed global access and restoring the region to its preeminent status as the nation's gateway for passengers and cargo.

#### **Vision:**

Focus on Customer Well Being – Provide a Facility environment where customers are safe and secure, yet receive quality service.

Be a Model for Service, Security, Efficiency, Safety and Effectiveness.

Strive for Truly Satisfied Customers and a Reputation for Inspired Leadership.

Satisfied customers are the most important asset of any business. In assisting the Port Authority realize the Mission and Vision Statements above, the Contractor shall comply with all the customer service requirements of this Agreement. Failure to comply with these requirements will result in the penalties described below.

Customer service is defined as the ability of an organization to constantly and consistently exceed the customer's expectations while offering the safety and security required to ensure the well being of customers. Organizations exceed customer expectations by focusing their efforts in three areas: customer friendly processes, employee commitment to customer service, and customer interaction.

#### D. Performance Measures

The services that are to be provided, as part of this Agreement will be measured using a series of periodic reviews that may include but is not limited to:

- Monthly or quarterly information provided by the Contractor;
- Monthly Mystery Shops;
- Manager's Survey
- Random surveys of Contractor's performance;
- An annual inspection of the Contractor's services, facilities and equipment; and
- An annual Customer Satisfaction Survey.

Some or all of the above performance management tools along with prior measures of the service will be used to develop a Base Line to measure the Contractor's performance as it relates to staff courtesy and helpfulness, staff appearance, and such other measures of performance as shall be designated by the Facility Manager.

Unsatisfactory, or scores below 90 points, may result in penalties being assessed as outlined below, and continued Unsatisfactory performance may place the Contractor at risk of termination and will jeopardize the Contractor's ability to participate in future solicitations.

1. The Contractor, at its sole cost and expense, shall develop a survey instrument within 30 days of contract award for Port Authority approval that evaluates the Contractor's performance of the services required in this Agreement. The Contractor shall have their managers conduct these surveys at a minimum of quarterly, and the results shall be provided to the Port Authority within fifteen (15) days of the end of each three (3) month period.
2. The Port Authority, at its sole cost and expense, may conduct or have conducted random mystery shops eliciting information on staff courtesy and helpfulness, cleanliness of the facilities and equipment, staff appearance and such other measures of performance and compliance with standards referenced in the "Airport Standards Manual", the service requirements outlined in this Agreement, and any other measures of performance that shall be designated by the Manager (hereinafter referred to as the "Mystery

Shopper Program"). The Port Authority shall have the right, in its sole discretion and without prior notice to the contractor, to modify the Mystery Shopper Program.

3. The Port Authority, or a designated representative shall also conduct random surveys of the service (hereinafter referred to as the "Manager's Survey"). The Contractor's performance will be evaluated based upon criteria, including but not limited to the degree and extent to which the Contractor can effectively manage the services outlined in this Agreement, the quality of the employee-training program and the ability to retain employees in the Service at the Facility.
4. The Port Authority, at its sole cost and expense, may conduct or have conducted an annual inspection of the Contractor's facilities and equipment to ensure that the condition of such facilities and equipment is in compliance with the requirements outlined in this Agreement and the Facility Standards Manual. The results of this inspection will be communicated with the Contractor within thirty (30) days of when the inspection was completed, and from such date the Contractor will have thirty (30) days to remedy any of the deficiencies identified. If such deficiencies are not remedied by the specified date, penalties may be assessed as discussed under the Contractor Incentive and/or Disincentive Program section.

**5. The Port Authority, at its sole cost and expense, may conduct or have conducted an annual survey of arriving and departing passengers (hereinafter referred to as the "Customer Satisfaction Survey") for the purpose of assessing customer satisfaction with the services that are required in this Agreement and other measures of performance and compliance with standards referenced in the "Facility Standards Manual**

**EXHIBIT 6 M/WBE PARTICIPATION PLAN**

*(AN M/WBE PARTICIPATION PLAN SHALL BE SUBMITTED AND WILL BE EVALUATED AS PART OF THE MANAGEMENT APPROACH. PLEASE INCLUDE FORM PA 3749B, TO BE COMPLETED BY THE PROPOSER FOR THE M/WBE PARTICIPATION PLAN SUBMISSION REQUIREMENT. IN THE EVENT OF AN M/WBE PLAN MODIFICATION, PLEASE USE FORM PA 3749C.)*

**EXHIBIT 7- STATEMENT OF SUBCONTRACTOR PAYMENTS**

**INSTRUCTIONS FOR STATEMENT OF SUBCONTRACTOR PAYMENT**

Attached is the Statement of Subcontractor Payments form, which shall be submitted with every invoice to be used in conjunction with the M/WBE Participation Plan.

# Statement of Subcontractor Payments

## M/WBE Participation Report

Contract/PO No.: \_\_\_\_\_ Date of Invoice \_\_\_\_\_  
 Contract Title: \_\_\_\_\_ Committed M/WBE Goals: M \_\_\_\_\_ W \_\_\_\_\_  
 Prime Contractor Name: \_\_\_\_\_ Award date: \_\_\_\_\_  
 Contract/PO Amount: \_\_\_\_\_ Completion date: \_\_\_\_\_  
 PA Project Manager: \_\_\_\_\_ M/WBE Participation to date M \_\_\_\_\_ W \_\_\_\_\_

Subcontractor's Name	Description of Work Performed or Materials Supplied by Subcontractor	Subcontractor's Address & Phone No.	M/WBE Status	Total Contract Amount Awarded to Sub	Total of Sub's Previous Requests	Amount Paid Sub to date	Amount of This Request

In connection with the above-captioned contract I HEREBY DECLARE AND AFFIRM that I am a duly authorized representative of this company, and that the following Minority and Women Business Enterprises have been contracted with and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on the above captioned contract, that there is due and to become due them, respectively, the amounts set opposite their names for materials or labor as stated; and that this is a full, true, and complete statement of all such MBEs/WBEs and of the amounts paid, due, and to become due to them:

Signature \_\_\_\_\_ Title \_\_\_\_\_ Telephone \_\_\_\_\_



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## STANDARD CONTRACT TERMS AND CONDITIONS

### PART I GENERAL DEFINITIONS

To avoid undue repetition, the following terms, as used in this Agreement, shall be construed as follows:

Authority or Port Authority - shall mean the Port Authority of New York and New Jersey.

PATH - shall mean the Port Authority Trans-Hudson Corporation.

Contract, Document or Agreement - shall mean the writings setting forth the scope, terms, conditions and Specifications for the procurement of Goods and/or Services, as defined hereunder and shall include, but not be limited to: Invitation for Bid (IFB), Request for Quotation (RFQ), Request for Proposal (RFP), Purchase Order (PO), Cover Sheet, executed Signature Sheet, AND PRICING SHEETS with Contract prices inserted, "STANDARD CONTRACT TERMS AND CONDITIONS," and, if included, attachments, endorsements, schedules, exhibits, or drawings, the Authority's acceptance and any written addenda issued over the name of the Authority's Manager, Purchasing Services Division.

Days or Calendar Days - shall mean consecutive calendar days, Saturdays, Sundays, and holidays, included.

Week - unless otherwise specified, shall mean seven (7) consecutive calendar days, Saturdays, Sundays, and holidays.

Month - unless otherwise specified, shall mean a calendar month.

Director/General Manager - shall mean the Director/General Manager of PATH which operates the facility of PATH at which the services hereunder are to be performed, for the time being, or his/her successor in duties for the purpose of this Contract, acting personally or through one of his/her authorized representatives for the purpose of this Contract.

Superintendent/Manager - shall mean the Superintendent/Manager of the PATH Division responsible for operating the said Facility for the time being or his/her successor in duties for the purpose of this Contract, acting personally or through his/her duly authorized representative for the purpose of this Contract.

No person shall be deemed a representative of the Director/General Manager or Superintendent/Manager except to the extent specifically authorized in an express written notice to the Contractor signed by the Director/General Manager or Superintendent/Manager as the case may be. Further, no person shall be deemed a successor in duties of the Director/General Manager unless the Contractor is so notified in writing signed by the Authority's Manager, Purchasing Services Division. No person shall be deemed a successor in duties of the Superintendent/Manager unless the Contractor is so notified in a writing signed by the Director/General Manager.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- (a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

- (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- (c) Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- (d) Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Site of the Work - or words of similar import shall mean the Facility and all buildings and properties associated therewith as described in this Contract.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- o The principal place of business must be located in New York or New Jersey;
- o The firm must have been in business for at least three years with activity;
- o Average gross income limitations by industry as established by the Port Authority.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely his own personal labor or his own personal services. "Subcontractor", however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

Work - shall mean all services, equipment and materials (including materials and equipment, if any, furnished by the Authority) and other facilities and all other things necessary or proper for, or incidental to the services to be performed or goods to be furnished in connection with the service to be provided hereunder.

## **PART II GENERAL PROVISIONS**

### **1. Facility Rules and Regulations of PATH**

- a. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the facility Rules and Regulations of PATH now in effect, and such further reasonable Rules and Regulations which may from time to time during the term of this Agreement be promulgated by PATH for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance and efficient operation of the Facility. PATH agrees that, except in case of emergency, it shall give notice to the Contractor of every Rule and Regulation hereafter adopted by it at least five days before the Contractor shall be required to comply therewith.
- b. A copy of the facility Rules and Regulations of PATH shall be available for review by the Contractor at the Office of the Director/General Manager of PATH.

## 2. Contractor Not An Agent

This Agreement does not constitute the Contractor the agent or representative of PATH for any purpose whatsoever except as may be specifically provided in this Agreement. It is hereby specifically acknowledged and understood that the Contractor, in performing its services hereunder, is and shall be at all times an independent Contractor and the officers, agents and employees of the Contractor shall not be or be deemed to be agents, servants or employees of PATH.

## 3. Contractor's Warranties

The Contractor represents and warrants:

- a. That it is financially solvent, that it is experienced in and competent to perform the requirements of this Contract, that the facts stated or shown in any papers submitted or referred to in connection with the solicitation are true, and, if the Contractor be a corporation, that it is authorized to perform this Contract;
- b. That it has carefully examined and analyzed the provisions and requirements of this Contract, and that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigation was adequate;
- c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;
- d. That no Director, officer, agent or employee of PATH is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;
- e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Port Authority, PATH, their Directors, Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability, or completeness of any provisions or requirements of this Contract; (2) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (3) the general or local conditions which may in any way affect this Contract or its performance; (4) the price of the Contract; or (5) any other matters, whether similar to or different from those referred to in (1) through (4) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.

Moreover, the Contractor accepts the conditions at the Site of the Work as they may eventually be found to exist and warrants and represents that it can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at its own cost and expense, anything in this Contract to the contrary notwithstanding.

Nothing in the Specifications or any other part of the Contract is intended as or shall constitute a representation by PATH as to the feasibility of performance of this Contract or any part thereof.

The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Port Authority and PATH to review thoroughly all documents forming this Contract prior to opening of Bids on this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents, that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

The Contractor further recognizes that the provisions of this numbered clause (though not only such

provisions) are essential to PATH's consent to enter into this Contract and that without such provisions, PATH would not have entered into this Contract.

#### **4. Personal Non-Liability**

Neither the Directors of PATH nor any of them, nor any officer, agent or employee thereof, shall be charged personally by the Contractor with any liability, or held personally liable to the Contractor under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.

#### **5. Equal Employment Opportunity, Affirmative Action, Non-Discrimination**

- a. The Contractor is advised to ascertain and comply with all applicable federal, State and local statutes, ordinances, rules and regulations and, federal Executive Orders, pertaining to equal employment opportunity, affirmative action, and non-discrimination in employment.
- b. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with the equal opportunity and non-discrimination clause of this Contract, or with any of such statutes, ordinances, rules, regulations or Orders, this Contract may be cancelled, terminated or suspended in whole or in part.

#### **6. Rights and Remedies of PATH**

PATH shall have the following rights in the event the Contractor is deemed guilty of a breach of any term whatsoever of this Contract:

- a. The right to take over and complete the Work or any part thereof as agent for and at the expense of the Contractor, either directly or through others.
- b. The right to cancel this Contract as to any or all of the Work yet to be performed.
- c. The right to specific performance, an injunction or any appropriate equitable remedy.
- d. The right to money damages.

For the purpose of this Contract, breach shall include but not be limited to the following, whether or not the time has yet arrived for performance of an obligation under this Contract: a statement by the Contractor to any representative of PATH indicating that the Contractor cannot or will not perform any one or more of its obligations under this Contract; any act or omission of the Contractor or any other occurrence which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract; any suspension of or failure to proceed with any part of the Work by the Contractor which makes it improbable at the time that it will be able to perform any one or more of its obligations under this Contract.

The enumeration in this numbered clause or elsewhere in this Contract of specific rights and remedies of PATH shall not be deemed to limit any other rights or remedies which PATH would have in the absence of such enumeration; and no exercise by PATH of any right or remedy shall operate as a waiver of any other of its rights or remedies not inconsistent therewith or to stop it from exercising such other rights or remedies.

#### **7. Rights and Remedies of the Contractor**

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract which may be committed by PATH, the Contractor expressly agrees that no default, act or omission of PATH shall constitute a material breach of this Contract, entitling the Contractor to cancel or rescind this Contract or to suspend or abandon performance.

#### **8. Submission To Jurisdiction**

The Contractor hereby irrevocably submits itself to the jurisdiction of the Courts of the State of New York and New Jersey, in regard to any controversy arising out of, connected with, or in any way concerning this Contract.

The Contractor agrees that the service of process on the Contractor in relation to such jurisdiction may be made, at the option of PATH, either by registered or certified mail addressed to it at the address of the Contractor indicated on the signature sheet, or by actual personal delivery to the Contractor, if the Contractor is an individual, to any partner if the Contractor be a partnership or to any officer, director or managing or general agent if the Contractor be a corporation.

Such service shall be deemed to be sufficient when jurisdiction would not lie because of the lack of basis to serve process in the manner otherwise provided by law. In any case, however, process may be served as stated above whether or not it might otherwise have been served in a different manner.

## 9. Harmony

- a. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of PATH or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of PATH, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of PATH, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, PATH shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as PATH deems necessary and without cost to PATH. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat fees, including management fees, shall be prorated. Prior to the exercise of such right by PATH, it shall give the Contractor notice thereof, which notice may be oral. No exercise by PATH of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of *any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies* which may be available to PATH under this Contract or otherwise.

- b. During the time that the Contractor is performing the contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.

The Contractor shall so plan and conduct its operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of PATH and the public as may be directed by PATH.

## 10. Claims of Third Persons

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, suppliers and workers, and all claims lawfully made against it by other third persons arising out of or in connection with

or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

#### **11. No Third Party Rights**

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action."

#### **12. Provisions of Law Deemed Inserted**

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

#### **13. Costs Assumed By The Contractor**

It is expressly understood and agreed that all costs of the Contractor of whatever kind or nature and whether imposed directly upon the Contractor under the terms and provisions hereof or in any other manner whatsoever because of the requirements of the operation of the service or otherwise under this Agreement shall be borne by the Contractor or without compensation or reimbursement from PATH, except as specifically set forth in this Agreement. The entire and complete cost and expense of the Contractor's services and operations hereunder shall be borne solely by the Contractor and under no circumstances shall PATH be liable to any third party (including the Contractor's employees) for any such costs and expenses incurred by the Contractor and under no circumstances shall PATH be liable to the Contractor for the same, except as specifically set forth in this Section.

#### **14. Default, Revocation or Suspension of Contract**

a. If one or more of the following events shall occur:

1. If fire or other cause shall destroy all or a substantial part of the Facility.
2. If any governmental agency shall condemn or take a temporary or permanent interest in all or a substantial part of the Facility, or all of a part of PATH's interest herein;

then upon the occurrence of such event or at any time thereafter during the continuance thereof, PATH shall have the right on twenty-four (24) hours written notice to the Contractor to revoke this Contract, such revocation to be effective upon the date and time specified in such notice.

In such event this Contract shall cease and expire on the effective date of revocation as if said date were the date of the expiration of this Contract. Such revocation shall not, however, relieve the Contractor of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

b. If one or more of the following events shall occur:

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or
2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation,

by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or

3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or
4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation, or
5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or
6. If the Contractor is a partnership, and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or
7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the PATH shall have the right upon five (5) days notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder; termination to be effective upon the date and time specified in such notice as if said date were the date of the expiration of this Contract. Termination shall not relieve the Contractor of any liabilities or obligations hereunder which have accrued on or prior to the effective date of termination.

c. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor, or
2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from PATH or the Port Authority on behalf of PATH (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or during the continuance thereof, PATH shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities which shall have accrued on or prior to the effective date of termination.

- d. If any of the events enumerated in this Section shall occur prior to commencement date of this Contract PATH upon the occurrence of any such event or any time thereafter during the continuance thereof by twenty-four (24) hours notice may terminate or suspend this Contract and the rights of the Contractor hereunder, such termination or suspension to be effective upon the date specified in such notice.

- e. No payment by PATH of any monies to the Contractor for any period or periods after default of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Contractor and no act or thing done or omitted to be done by PATH shall be deemed to be a waiver of the right of PATH to terminate this Contract or of any other right or remedies to which PATH may be entitled because of any breach thereof. No waiver by PATH of any default on the part of the Contractor in the performance of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Contractor shall be or be construed to be a waiver by PATH of any other subsequent default in the performance of any of the said terms, covenants and conditions.
- f. In addition to all other rights of revocation or termination hereunder and notwithstanding any other provision of this Contract PATH may terminate this Contract and the rights of the Contractor hereunder without cause at any time upon five (5) days written notice to the Contractor and in such event this Contract shall cease and expire on the date set forth in the notice of termination as fully and completely as though such dates were the original expiration date hereof and if such effective date of termination is other than the last day of the month, the amount of the compensation due to the Contractor from PATH shall be prorated when applicable on a daily basis. Such cancellation shall be without prejudice to the rights and obligations of the parties arising out of portions already performed but no allowance shall be made for anticipated profits.
- g. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that PATH shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an exercise by the Port Authority of an election of remedies so as to preclude PATH from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this Contract as aforesaid.
- h. If (1) the Contractor fails to perform any of its obligations under this Contract or any other agreement between PATH or the Port Authority and the Contractor (including its obligation to PATH or the Port Authority to pay any claim lawfully made against it by any supplier, subcontractor or worker or other person which arises out of or in connection with the performance of this Contract or any other agreement with PATH or the Port Authority) or (2) any claim (just or unjust) which arises out of or in connection with this Contract or any other agreement between PATH or the Port Authority and the Contractor is made against the Port Authority or (3) any subcontractor under this Contract or any other agreement between PATH or the Port Authority and the Contractor fails to pay any claims lawfully made against it by any supplier, subcontractor, worker or other third person which arises out of or in connection with this Contract or any other agreement between PATH or the Port Authority and the Contractor or if in the opinion of PATH any of the aforesaid contingencies is likely to arise, then the Port Authority shall have the right, in its discretion, to withhold out of any payment (final or otherwise) such sums as PATH may deem ample to protect it against delay or loss or to assure the payment of just claims of third persons, and to apply such sums in such manner as PATH may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by PATH to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that PATH does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of PATH to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by PATH shall create any obligation of any kind to such supplier, subcontractors, worker or other third persons. If, however, the payment of any amount due the Contractor shall be improperly delayed, PATH shall pay the Contractor interest thereon at the rate of 6% per annum for the period of the delay, it being agreed that such

interest shall be in lieu of and in liquidation of any damages to the Contractor because of such delay.

- i. If PATH has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse PATH, or if PATH is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to PATH the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of PATH's statement therefore. PATH may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.
- j. If PATH pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to PATH any such amount promptly upon receipt of PATH's statement therefore.
- k. PATH shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if his affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

#### **15. Sales or Compensating Use Taxes**

Sales to PATH are currently exempt from New York and New Jersey State and local sales and compensating use taxes and generally from federal taxation. The Contractor certifies that there are no such taxes included in the prices for this Contract. The Contractor shall retain a copy of this Contract to substantiate the exempt sale.

The compensation set forth in this Agreement is the complete compensation to the Contractor, and PATH will not separately reimburse the Contractor for any taxes unless specifically set forth in this Agreement.

#### **16. No Estoppel or Waiver**

PATH shall not be precluded or estopped by any payment, final or otherwise, issued or made under this Contract, from showing at any time the true amount and character of the services performed, or from showing that any such payment is incorrect or was improperly issued or made; and PATH shall not be precluded or estopped, notwithstanding any such payment, from recovering from the Contractor any damages which it may sustain by reason of any failure on its part to comply strictly with this Contract, and any moneys which may be paid to it or for its account in excess of those to which it is lawfully entitled.

No cancellation, rescission or annulment hereof, in whole or as to any part of the services to be provided hereunder, or because of any breach hereof, shall be deemed a waiver of any money damages to which PATH may be entitled because of such breach. Moreover, no waiver by the Authority of any breach of this Contract shall be deemed to be a waiver of any other or any subsequent breach.

#### **17. Records and Reports**

The Contractor shall set up, keep and maintain (and shall cause its subcontractors to set up, keep and maintain) in accordance with generally accepted accounting practice during the term of this Agreement and any extensions thereof and for three years after the expiration, termination or revocation thereof, records, payroll records and books of account (including, but not limited to, records of original entry and daily forms, payroll runs, cancelled checks, time records, union agreements, contracts with health, pension and other third party benefit providers) recording all transactions of the Contractor (and its subcontractors), at, through or in any way connected with or related to the operations of the Contractor (and its subcontractors)

hereunder, including but not limited to all matters relating to the charges payable to the Contractor hereunder, all wages and supplemental benefits paid or provided to or for its employees (and its subcontractors' employees) and such additional information as PATH may from time to time and at any time require, and also including, if appropriate, recording the actual number of hours of service provided under the Contract, and keeping separate records thereof which records and books of account shall be kept at all times within the Port District. The Contractor shall permit (and cause its subcontractors to permit) in ordinary business hours during the term of this Agreement including any extensions thereof and for three years thereafter the examination and audit by the officers, employees and representatives of PATH of such records and books of account and also any records and books of account of any company which is owned or controlled by the Contractor, or which owns or controls the Contractor if said company performs services similar to those performed by the Contractor anywhere in the Port District. However, if within the aforesaid three year period PATH has notified the Contractor in writing of a pending claim by PATH under or in connection with this Contract to which any of the aforesaid records and documents of the Contractor or of its subcontractors relate either directly or indirectly, then the period of such right of access shall be extended to the expiration of six years from the date of final payment with respect to the records and documents involved.

The Contractor (and its subcontractors) shall, at its own expense, install, maintain and use such equipment and devices for recording the labor hours of the service as shall be appropriate to its business and necessary or desirable to keep accurate records of the same and as the general manager or the Facility Superintendent/Manager may from time to time require, and the Contractor (and its subcontractors) shall at all reasonable times allow inspection by the agents and employees of PATH of all such equipment or devices.

- a. The Contractor hereby further agrees to furnish to PATH from time to time such written reports in connection with its operations hereunder as PATH may deem necessary or desirable. The format of all forms, schedules and reports furnished by the Contractor to PATH shall be subject to the continuing approval of PATH.
- b. No provision in this Contract giving PATH a right of access to records and documents is intended to impair or affect any right of access to records and documents which they would have in the absence of such provision. Additional record keeping may be required under other sections of this Contract.

## **18. General Obligations**

- a. Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing and all such notices, requests, consents and approvals shall be personally delivered to the other party during regular business hours or forwarded to such party by United States certified mail, return receipt requested, addressed to the other party at its address hereinbefore or hereafter provided. Until further notice the Contractor hereby designates the address shown on the bottom of the Contractors Signature Sheet as their address to which such notices, requests, consents, or approvals may be forwarded. All notices, requests, consents, or approvals of the Contractor shall be forwarded to the Superintendent/Manager at the Facility.
- b. The Contractor shall comply with the provisions of all present and future federal, state and municipal laws, rules, regulations, requirements, ordinances, orders and directions which pertain to its operations under this Contract and which affect the Contract or the performance thereof and those engaged therein as if the said Contract were being performed for a private corporation, except where stricter requirements are contained in the Contract in which case the Contract shall control. The Contractor shall procure for itself all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Contractor's operations hereunder which may be necessary for the Contractor's operations. The Contractor's obligation to comply with governmental requirements are not to be construed as a submission by PATH to the application to itself of such requirements.

- c. The Contractor shall pay all taxes, license, certification, permit and examination fees and excises which may be assessed on its property or operations hereunder or income therefrom, and shall make all applications, reports and returns required in connection therewith.
- d. The Contractor shall, in conducting its operations hereunder, take all necessary precautions to protect the general environment and to prevent environmental pollution, contamination, damage to property and personal injury. In the event the Contractor encounters material reasonably believed to be asbestos, polychlorinated biphenyl (PCB) or any other hazardous material, in conducting its operations hereunder, the Contractor shall immediately stop Work in the area affected and report the condition in writing to the Superintendent/Manager. Work in the affected area shall not thereafter be resumed by the Contractor except upon the issuance of a written order to that effect from the Superintendent/Manager.
- e. The Contractor shall promptly observe, comply with and execute the provisions of any and all present and future rules and regulations, requirements, standard orders and directions of the American Insurance Association, the Insurance Services Office, National Fire Protection Association, and any other body or organization exercising similar functions which may pertain or apply to the Contractor's operations hereunder.

The Contractor shall not do or permit to be done any act which:

- 1. will invalidate or be in conflict with any fire insurance policies covering the Facility or any part thereof or upon the contents of any building thereon; or
  - 2. will increase the rate of any fire insurance, extended coverage or rental insurance on the Facility or any part thereof or upon the contents of any building thereon; or
  - 3. in the opinion of PATH will constitute a hazardous condition, so as to increase the risk normally attendant upon the operations contemplated by this Contract; or
  - 4. may cause or produce in the premises, or upon the Facility any unusual, noxious or objectionable smoke, gases, vapors, odors; or
  - 5. may interfere with the effectiveness or accessibility of the drainage and sewerage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located or to be installed or located in or on the Facility; or
  - 6. shall constitute a nuisance in or on the Facility or which may result in the creation, commission or maintenance of a nuisance in or on the Facility.
- f. If by reason of the Contractor's failure to comply with the provisions of this Section and provided PATH has given the Contractor five (5) days written notice of its failure and the Contractor shall not have cured said failure within said five (5) days, any fire insurance, extended coverage or rental insurance rate on the Facility or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Contractor shall on demand pay PATH that part of all fire insurance, extended coverage or rental insurance premiums paid or payable by PATH which shall have been charged because of such violations by the Contractor.
  - g. The Contractor shall conduct its operations hereunder so as not to endanger, unreasonably interfere with, or delay the operations or activities of any tenants or occupants on the premises or the Facility and, moreover, shall use the same degree of care in performance on the premises as would be required by law of PATH and shall conduct operations hereunder in a courteous, efficient and safe manner.
  - h. The Contractor shall provide such equipment and medical facilities as may be necessary to supply first aid service in case of accidents to its personnel who may be injured in the furnishing of service hereunder. The Contractor shall maintain standing arrangements for the removal and hospital treatment of any of its personnel who may be injured.

#### 19. Assignments and Subcontracting

- a. The Contractor shall not sell, transfer, mortgage, pledge, subcontract or assign this Contract or any part thereof or any of the rights granted hereunder or any moneys due or to become due to it hereunder or enter into any contract requiring or permitting the doing of anything hereunder by an independent

- Contractor, without the prior written approval of PATH, and any such sale, transfer, mortgage, pledge, subcontract, assignment or contract without such prior written approval shall be void as to PATH.
- b. All subcontractors who provide permanent personnel to the Contractor for work under this Contract shall be given written notice to comply with all requirements of the Contract. The Contractor shall be responsible and liable for the performance and acts of each subcontractor.
  - c. All persons to whom the Contractor sublets services shall be deemed to be its agents and no subletting or approval thereof shall be deemed to release this Contractor from its obligations under this Contract or to impose any obligations on PATH to such subcontractor or to give the subcontractor any rights against PATH.

## **20. Indemnification and Risks Assumed By The Contractor**

To the extent permitted by law, the Contractor shall indemnify and hold harmless PATH, its Directors, officers, representatives and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of PATH) arising out of or in any way connected or alleged to arise out of or alleged to be in any way connected with the Contract and all other services and activities of the Contractor under this Contract and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Contractor, of PATH, of third persons, or from the acts of God or the public enemy, or otherwise, including claims and demands of any local jurisdiction against the Port Authority in connection with this Contract.

The Contractor assumes the following risks, whether such risks arise from acts or omissions (negligent or not) of the Contractor, PATH or third persons or from any other cause, excepting only risks occasioned solely by affirmative willful acts of PATH done subsequent to the opening of proposals on this Contract, and shall to the extent permitted by law indemnify PATH for all loss or damage incurred in connection with such risks:

- a. The risk of any and all loss or damage to Port Authority property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions, on or off the premises, the loss or damage of which shall arise out of the Contractor's operations hereunder. The Contractor shall if so directed by PATH, repair, replace or rebuild to the satisfaction of PATH, any and all parts of the premises or the Facility which may be damaged or destroyed by the acts or omissions of the Contractor, its officers, agents, or employees and if the Contractor shall fail so to repair, replace, or rebuild with due diligence PATH may, at its option, perform any of the foregoing work and the Contractor shall pay to PATH the cost thereof.
- b. The risk of any and all loss or damage of the Contractor's property, equipment (including but not limited to automotive and/or mobile equipment) materials and possessions on the Facility.
- c. The risk of claim, whether made against the Contractor or PATH, for any and all loss or damages occurring to any property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions of the Contractor's agents, employees, materialmen and others performing work hereunder.
- d. The risk of claims for injuries, damage or loss of any kind just or unjust of third persons arising or alleged to arise out of the performance of work hereunder, whether such claims are made against the Contractor or PATH.

If so directed, the Contractor shall at its own expense defend any suit based upon any such claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and in handling such shall not, without obtaining express advance permission from the General Counsel of PATH, raise any defense involving in any way the jurisdiction of the tribunal over the person of PATH, the immunity of PATH, its Directors, officers, agents or employees, the governmental nature of PATH or the provision of any statutes

respecting suits against PATH.

Neither the requirements of PATH under this Contract, nor of PATH of the methods of performance hereunder nor the failure of PATH to call attention to improper or inadequate methods or to require a change in the method of performance hereunder nor the failure of PATH to direct the Contractor to take any particular precaution or other action or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

#### **21. Approval of Methods**

Neither the approval of PATH of the methods of furnishing services hereunder nor the failure of PATH to call attention to improper or inadequate methods or to require a change in the method of furnishing services hereunder, nor the failure of PATH to direct the Contractor to take any particular precautions or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

#### **22. Safety and Cleanliness**

- a. The Contractor shall, in the furnishing of services hereunder, exercise every precaution to prevent injury to person or damage to property or environmental impairment and avoid inconvenience to the occupants of or any visitors to the Facility. The Contractor shall, without limiting the generality hereof, place such personnel, erect such barricades and railings, give such warnings, display such lights, signals or signs, place such cones and exercise precautions as may be necessary, proper or desirable.
- b. The Contractor shall in case of unsafe floor conditions due to construction, wetness, spillage, sickness and all other types of hazardous conditions proceed to rope off the unsafe area and place appropriate warnings signs to prevent accidents from occurring. The Contractor shall clean said area to the satisfaction of the Superintendent/Manager.
- c. The Contractor shall at all times maintain in a clean and orderly condition and appearance any and all facilities provided by PATH for the Contractor's operations, and all fixtures, sink closets, equipment, and other personal property of PATH which are located in said facilities.

#### **23. Accident Reports**

The Contractor shall promptly report in writing to the Manager of the Facility and to the Deputy Chief, Litigation Management of PATH all accidents whatsoever arising out of or in connection with its operations hereunder and which result in death or injury to persons or damage to property, setting forth such details thereof as PATH may desire. In addition, if death or serious injury or serious damage is caused, such accidents shall be immediately reported by telephone to the aforesaid representatives of PATH.

#### **24. Trash Removal**

The Contractor shall remove daily from the Facility by means provided by the Contractor all garbage, debris and other waste material (solid or liquid) arising out of or in connection with its operations hereunder, and any such garbage, debris and other waste material not immediately removed shall be temporarily stored in a clear and sanitary condition, approved by the Superintendent/Manager and shall be kept covered except when filling or emptying them. The Contractor shall exercise care in removing such garbage, debris and other waste materials from the Facility. The manner of such storage and removal shall always be subject in all respects to the continual approval of PATH. No equipment or facilities of PATH shall be used in such removal unless with its prior consent in writing. No such garbage, debris or other waste materials shall be or be permitted to be thrown, discharged or disposed into or upon the waters at or bounding the Facility.

## **25. Lost and Found Property**

The Contractor shall instruct its personnel that all items of personal property found by the Contractor's employees at the Site must be turned in to PATH and a receipt will be issued therefor.

## **26. Property of the Contractor**

- a. All property of the Contractor at the Site by virtue of this Contract shall be removed on or before the expiration or sooner termination or revocation of this Contract.
- b. If the Contractor shall fail to remove its property upon the expiration, termination or revocation of this Contract PATH may, at its option, dispose of such property as waste or as agent for the Contractor and at the risk and expense of the Contractor, remove such property to a public warehouse, or may retain the same in its own possession, and in either event after the expiration of thirty (30) days may sell the same in accordance with any method deemed appropriate; the proceeds of any such sale shall be applied first, to the expenses of sale and second, to any sums owed by the Contractor to PATH; any balance remaining shall be paid to the Contractor. Any excess of the total cost of removal, storage and sale and other costs incurred by PATH as a result of such failure of performance by the Contractor over the proceeds of sale shall be paid by the Contractor to PATH upon demand.

## **27. Modification of Contract**

This Contract may not be changed except in writing signed by PATH and the Contractor. The Contractor agrees that no representation or warranties shall be binding upon PATH unless expressed in writing in this Contract.

## **28. Invalid Clauses**

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

## **29. Approval of Materials, Supplies and Equipment**

Only Port Authority/PATH approved materials, supplies, and equipment are to be used by the Contractor in performing the Work hereunder. Inclusion of chemical containing materials or supplies on the Port Authority/ PATH Approved Products List – Environmental Protection Supplies constitutes approval. The list may be revised from time to time and at any time by the Port Authority/PATH and it shall be incumbent upon the Contractor to obtain the most current list from the Superintendent/Manager of the Facility.

At anytime during the Solicitation, pre-performance or performance periods, the Contractor may propose the use of an alternate product or products to those on the Approved Products List – Environmental Protection Supplies, which product(s) shall be subject to review and approval by the Port Authority. Any alternate product so approved by the Port Authority/PATH may be used by the Contractor in performing the Services hereunder. Until such approval is given, only products on the Approved Products List – Environmental Protection Supplies may be used.

## **30. Intellectual Property**

The right to use all patented materials, appliances, processes of manufacture or types of construction, trade and service marks, copyrights and trade secrets, collectively hereinafter referred to as "Intellectual Property Rights", in the performance of the work, shall be obtained by the Contractor without separate or additional compensation. Where the services under this Agreement require the Contractor to provide materials, equipment or software for the use of PATH or its employees or agents, PATH shall be provided with the Intellectual Property Rights required for such use without further compensation than is provided for under this Agreement.

The Contractor shall indemnify PATH against and save it harmless from all loss and expense incurred as a result of any claims in the nature of Intellectual Property Rights infringement arising out of the Contractor's or PATH's use, in accordance with the above immediately preceding paragraph, of any Intellectual Property. The Contractor, if requested, shall conduct all negotiations with respect to and defend such claims. If the Contractor or PATH, its employees or agents be enjoined either temporarily or permanently from the use of any subject matter as to which the Contractor is to indemnify PATH against infringement, then PATH may, without limiting any other rights it may have, require the Contractor to supply temporary or permanent replacement facilities approved by the Superintendent/Manager, and if the Contractor fails to do so the Contractor shall, at its expense, remove all such enjoined facilities and refund the cost thereof to PATH or take such steps as may be necessary to insure compliance by the Contractor and the PATH with said injunction, to the satisfaction of the PATH.

In addition, the Contractor shall promptly and fully inform the Director/General Manager in writing of any intellectual property rights disputes, whether existing or potential, of which it has knowledge, relating to any idea, design, method, material, equipment or any other matter related to the subject matter of this Agreement or coming to its attention in connection with this Agreement.

### **31. Contract Records and Documents – Passwords and Codes**

When the performance of the contract services requires the Contractor to produce, compile or maintain records, data, drawings, or documents of any kind, regardless of the media utilized, then all such records, drawings, data and documents which are produced, prepared or compiled in connection with this contract, shall become the property of PATH, and PATH shall have the right to use or permit the use of them and any ideas or methods represented by them for any purpose and at any time without other compensation than that specifically provided herein.

When in the performance of the contract services the Contractor utilizes passwords or codes for any purpose, at any time during or after the performance of such services, upon written request by PATH, the Contractor shall make available to the designated PATH representative all such passwords and codes.

### **32. High Security Areas**

- a. Services under the Contract may be required in high security areas, as the same may be designated by the Superintendent/Manager from time to time. PATH shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.
- b. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Superintendent/Manager. The Contractor shall conform to the procedures as may be established by the Superintendent/Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Superintendent/Manager of the high security areas which will be in effect on the commencement date. The description of high security areas may be changed from time to time and at any time by the Superintendent/Manager during the term of the Contract.

### **33. Notification of Security Requirements**

PATH operates facilities and systems, at which terrorism or other criminal acts may have a significant

impact on life safety and key infrastructures. PATH reserves the right to impose multiple layers of security requirements on the performance of the Contract work, including on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, as determined by PATH. The Contractor shall and shall instruct its subcontractors to cooperate with PATH staff in adopting security requirements. These security requirements may include but may not be limited to the following:

i. **Identity Checks and Background Screening**

Contractor/subcontractor identity checks and background screening shall include but shall not be limited to: (1) inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; (2) screening of federal, state, and/or local criminal justice agency information databases and files; (3) screening of any terrorist identification files; (4) multi-year check of personal, employment and /or credit history; (5) access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning.

The Contractor may be required to have its staff, and any subcontractor's staff, authorize PATH or its designee to perform background checks. Such authorization shall be in a form acceptable to PATH. If PATH directs the Contractor to have identity checks and background screening performed by a particular firm designated by PATH, PATH will compensate the Contractor for the cost of such screening pursuant to the Extra Work provisions of the Contract.

ii. **Issuance of Photo Identification cards:**

If PATH requires facility-specific identification cards for the Contractor's and subcontractors' staff, PATH will supply such identification cards at no cost to the Contractor.

iii. **Access control, inspection, and monitoring by security guards:**

PATH will provide for facility access control, inspection and monitoring by Authority retained security guards. Should PATH require the Contractor to hire security guards for the purpose of facility access control and inspection in lieu of or in addition to PATH retained facility security guards, the Contractor will be reimbursed for the cost of such security guards pursuant to the Extra Work provisions of the Contract. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work at the facility at its own expense.

PATH may impose, increase, and/or upgrade security requirements for the Contractor, subcontractors and their staffs during the term of this Contract to address changing security conditions and/or new governmental regulations.

**34. Construction In Progress**

The Contractor recognizes that construction may be in progress at the Facility and may continue throughout the term of this Contract. Notwithstanding, the Contractor shall at all times during the term hereof maintain the same standards of performance and cleanliness as prevails in non-affected areas as required by the standards hereunder.

**35. Permit-Required Confined Space Work**

Prior to commencement of any work, the Contractor shall request and obtain from PATH a description of all spaces at the facility which are permit-required confined spaces requiring issuance of an OSHA permit.

Prior to the commencement of any work in a permit-required confined space at a Port Authority facility requiring issuance of an OSHA permit, the Contractor shall contact the Superintendent/Manager to obtain a

PATH Contractor Permit-Required Confined Space Notification form. The notification form must be filled out and submitted prior to commencing permit-required confined space work. All confined space work shall be performed in accordance with all applicable OSHA requirements. The Contractor shall provide its employees with a copy of its own company permit and shall furnish PATH with a copy of the permit upon completion of the work. The Contractor must supply all equipment required for working in a confined space.

#### **36. Signs**

Except with the prior written approval of PATH, the Contractor shall not erect, maintain or display any signs or posters or any advertising on or about the Facility.

#### **37. Vending Machines, Food Preparation**

The Contractor shall not install, maintain or operate on the Facility, or on any other PATH property, any vending machines without the prior written approval of the Port Authority. No foods or beverages shall be prepared or consumed at the Facility by any of the Contractor's employees except in areas as may be specifically designated by PATH for such purpose.

#### **38. Non-Publication**

The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to PATH or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Agreement, unless the vendor first obtains the written approval of PATH. Such approval may be withheld if for any reason PATH believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

#### **39. Time is of the Essence**

*Time is of the essence in the Contractor's performance of this Contract inasmuch as the Work to be performed will affect the operation of public facilities.*

#### **40. Holidays**

The following holidays will be observed at the Site:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Columbus Day
Presidents' Day	Election Day
Memorial Day	Veterans Day
Independence Day	Thanksgiving Day
	Christmas Day

This list is subject to periodic revision and the Contractor shall be responsible for obtaining all updated lists from the office of the Superintendent/Manager. If any such holiday falls on a Sunday then the next day shall be considered the holiday and/or if any such holiday falls on a Saturday then the preceding day shall be considered the holiday.

#### **41. Personnel Standards**

In addition to any specific personnel requirements that may be required under the clause entitled "Personnel Requirements" in the Specifications, the Contractor (and any Subcontractor) shall furnish competent and adequately trained personnel to perform the Work hereunder. If, in the opinion of the Superintendent/Manager, any employee so assigned is performing their functions unsatisfactorily, they shall

be replaced by the Contractor within twenty-four (24) hours following the Contractor's receipt of the Superintendent/Manager's request for such replacement.

All Contractor's employees performing Work hereunder shall have the ability to communicate in the English language to the extent necessary to comprehend directions given by either the Contractor's supervisory staff or by the Superintendent/Manager's staff. Any employee operating a motor vehicle must have a valid driver's license.

#### **42. General Uniform Requirements for Contractor's Personnel**

In addition to any specific uniform requirements that may be required by the Specifications, uniforms must be worn at all times during which the Services are being performed hereunder. The Contractor agrees that his/her employees will present a neat, clean and orderly appearance at all times. Uniforms shall include the Contractor's identification badge with picture ID bearing the employee's name. All uniforms, colors, types and styles shall be subject to the prior approval of the Superintendent/Manager. The Contractor will also be responsible for ensuring that its employees are wearing shoes appropriate for the tasks performed. The Superintendent/Manager shall have the right to require removal of any employee who shall fail to wear the proper uniform and shoes, and the exercise of this right shall not limit the obligation of the Contractor to perform the Services or to furnish any required number of employees at a specific location at the Site as specified.

#### **43. Labor, Equipment and Materials Supplied by the Contractor**

The Contractor shall, at all times during the performance of this Contract, furnish all necessary labor, supervision, equipment and materials necessary for the prompt and efficient performance of the Work, whether such materials and equipment are actually employed in the furnishing of the Work or whether incidental thereto.

All materials used by the Contractor in furnishing Work hereunder shall be of such quality as to accomplish the purposes of this Contract and the Services to be furnished hereunder in such manner so as not to damage any part of the Site.

PATH by its officers, employees and representatives shall have the right at all times to examine the supplies, materials and equipment used by the Contractor, to observe the operations of the Contractor, its agents, servants and employees and to do any act or thing which PATH may be obligated or have the right to do under this Contract or otherwise.

All equipment, materials and supplies used in the performance of this Contract required hereunder shall be used in accordance with their manufacturer's instructions.

Materials and supplies to be provided by the Contractor hereunder shall comply with OSHA and all applicable regulations.

#### **44. Contractor's Vehicles - Parking - Licenses**

At the discretion of the Superintendent/Manager, PATH may permit the Contractor during the effective period of this Contract to park vehicle(s) used by it in its operations hereunder in such location as may from time to time or at any time be designated by the Superintendent/Manager. The Contractor shall comply with such existing rules, regulations and procedures as are now in force and such reasonable future rules, regulations and procedures as may hereafter be adopted by PATH for the safety and convenience of persons who park automotive vehicles in any parking area at the Site or for the safety and proper identification of such vehicles, and the Contractor shall also comply with any and all directions pertaining to such parking which may be given from time to time and at any time by the Superintendent/Manager. Any vehicle used by the Contractor hereunder shall be marked or placarded, identifying it as the Contractor's vehicle.

#### **45. Superintendent/Manager's Authority**

In the performance of the Work hereunder, the Contractor shall conform to all orders, directions and requirements of the Superintendent/Manager and shall perform the Work hereunder to the satisfaction of the Superintendent/Manager at such times and places, by such methods and in such manner and sequence as he/she may require, and the Contract shall at all stages be subject to his/her inspection. The Superintendent/Manager shall determine the amount, quality, acceptability and fitness of all parts of the Work and shall interpret the Specifications and any orders for Extra Work. The Contractor shall employ no equipment, materials, methods or staff or personnel to which the Superintendent/Manager objects. Upon request, the Superintendent/Manager shall confirm in writing any oral order, direction, requirement or determination.

*The Superintendent/Manager shall have the authority to decide all questions in connection with the Services to be performed hereunder. The exercise by the Superintendent/Manager of the powers and authorities vested in him/her by this section shall be binding and final upon PATH and the Contractor.*

#### **46. Price Preference**

If this solicitation has not been set aside for the purposes of making an award based on bids solicited from Port Authority certified Minority Business, Women Business or Small Business Enterprises as indicated by the bidder pre-requisites in Part II hereof, for awards of contracts, not exceeding \$1,000,000, for:

- (a) Services, a price preference of 5% is available for New York or New Jersey Small Business Enterprises (SBE); or
- (b) Services (excluding Janitorial/Cleaning Services), a price preference of 10% is available for New York or New Jersey Minority or Women Business Enterprises (M/WBE),

certified by the Port Authority by the day before the bid opening.

If the Bidder is a Port Authority certified MBE, WBE or SBE, enter the applicable date(s) certification was obtained in the space provided on the Signature Sheet attached hereto.

#### **47. Good Faith Participation**

If specified as applicable to this Contract, the Contractor shall use every good-faith effort to provide for meaningful participation by certified Minority Business Enterprises (MBEs) and certified Women-owned Business Enterprises (WBEs) as defined in the Standard Contract Terms and Conditions, in all purchasing, subcontracting and ancillary service opportunities associated with this Contract, including purchase of equipment, supplies and labor services.

Good Faith efforts to include participation by MBEs/WBEs shall include the following:

- a. Dividing the services and materials to be procured into small portions, where feasible.
- b. Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c. Soliciting services and materials, to be procured, from the Directory of MBEs/WBEs, a copy of which can be obtained by contacting the Port Authority's Office of Business and Job Opportunity at (212) 435-7819 or seeking MBEs/WBEs from other sources.
- d. Insuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.

## **PART III CONTRACTOR'S INTEGRITY PROVISIONS**

### **1. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information**

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Bidder and each parent and/or affiliate of the Bidder has not

- a. been indicted or convicted in any jurisdiction;
- b. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Bidder;
- c. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
- d. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
- e. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of \$50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
- f. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
- g. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

### **2. Non-Collusive Bidding, and Code of Ethics Certification, Certification of No Solicitation Based On Commission, Percentage, Brokerage, Contingent or Other Fees**

By bidding on this Contract, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

- a. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;
- b. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Bidder prior to the official opening of such bid to any other bidder or to any competitor;
- c. no attempt has been made and none will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
- d. this organization has not made any offers or agreements or taken any other action with respect to any Authority or PATH employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request to the individual named in the clause hereof entitled "Bidder's Questions"), nor does this organization have any knowledge of any act on the part of an Authority or PATH employee or former Authority or PATH employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
- e. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Bidder for the purpose of securing business, has been employed or retained by the Bidder to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid

- to such person or selling agency; and
- f. the bidder has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Bidder as follows:

- \* if the Bidder is a corporation, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each parent, affiliate, director, and officer of the Bidder, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Bidder with an ownership interest in excess of 10%;
- \* if the Bidder is a partnership, such certification shall be deemed to have been made not only with respect to the Bidder itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Bidder, shall be deemed to have been authorized by the Board of Directors of the Bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

*In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement which sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty. As a result of such disclosure, the PATH shall take appropriate action up to and including a finding of non-responsibility.*

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsibility.

Notwithstanding that the Bidder may be able to make the foregoing certifications at the time the bid is submitted, the Bidder shall immediately notify PATH in writing during the period of irrevocability of bids on this Contract of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Bidder with full knowledge that they would become a part of the records of PATH and that PATH will rely on their truth and accuracy in awarding this Contract. In the event that PATH should determine at any time prior or subsequent to the award of this Contract that the Bidder has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required to be disclosed, PATH may determine that the Bidder is not a responsible Bidder with respect to its bid on the Contract or with respect to future bids on PATH contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Bidders are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see e.g. New York Penal Law, Section 175.30 et seq.). Bidders are also advised that the inability to make such certification will not in and of itself disqualify a Bidder, and that in each instance PATH will evaluate the reasons therefor provided by the Bidder. Under certain circumstances the Bidder may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by PATH, said Monitor to be charged with, among other things, auditing the actions of the Bidder to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with PATH.

### **3. Bidder Eligibility for Award of Contracts - Determination by an Agency of the State of New York or New Jersey Concerning Eligibility to Receive Public Contracts**

Bidders are advised that PATH has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Bidder is not eligible to bid on or be awarded public contracts because the Bidder has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Bidder whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Bidder, or (ii) the state agency determination relied upon was made without affording the Bidder the notice and hearing to which the Bidder was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of PATH's Board of Commissioners meeting of September 9, 1993.

### **4. No Gifts, Gratuities, Offers of Employment, Etc.**

During the term of this Contract, the Contractor shall not offer, give or agree to give anything of value either to a Port Authority or PATH employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority or PATH of duties involving transactions with the Contractor on behalf of the Port Authority or PATH, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract.

As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority or PATH contract), etc. which might tend to obligate the Port Authority or PATH employee to the Contractor, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority or PATH contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Contractor shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons using the Facility and shall so instruct its personnel.

In addition, during the term of this Contract, the Contractor shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

The Contractor shall include the provisions of this clause in each subcontract entered into under this Contract.

### **5. Conflict of Interest**

During the term of this Contract, the Contractor shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for its own services to PATH) to which it is contemplated PATH

may become a party, or participate in any way in the review or resolution of a claim in connection with such a contract if the Contractor has a substantial financial interest in the contractor or potential contractor of PATH or if the Contractor has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Contractor at any time take any other action which might be viewed as or give the appearance of conflict of interest on its part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion, or if the Contractor has reason to believe such an arrangement may be the subject of future discussion, or if the Contractor has any financial interest, substantial or not, in a contractor or potential contractor of PATH, and the Contractor's participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if the Contractor has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Contractor shall immediately inform the Director/General Manager in writing of such situation giving the full details thereof. Unless the Contractor receives the specific written approval of the Director/General Manager, the Contractor shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director/General Manager shall determine that the performance by the Contractor of a portion of its Services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Contractor's said Services is determined by the Director/General Manager to be no longer appropriate because of such preclusion, then the Director/General Manager shall have full authority on behalf of both parties to order that such portion of the Contractor's Services not be performed by the Contractor, reserving the right, however, to have the Services performed by others and any lump sum compensation payable hereunder which is applicable to the deleted work shall be equitably adjusted by the parties. The Contractor's execution of this document shall constitute a representation by the Contractor that at the time of such execution the Contractor knows of no circumstances, present or anticipated, which come within the provisions of this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on the Contractor's part. The Contractor acknowledges that PATH may preclude it from involvement in certain disposition/privatization initiatives or transactions that result from the findings of its evaluations hereunder or from participation in any contract which results, directly or indirectly, from the Services provided by the Contractor hereunder.

## 6. Definitions

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Proposal:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean submitting a Proposal.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Proposals:

Bid - shall mean Proposal;

Bidder - shall mean Proposer;

Bidding - shall mean executing this Contract.