Torres Rojas, Genara FOI#13833

From: yuhaszjeff1968@comcast.net
Sent: Monday, March 11, 2013 10:18 PM
To: Duffy, Daniel
Cc: Torres Rojas, Genara; Van Duyne, Sheree
Subject: Freedom of Information Online Request Form

Information:

First Name: Jeffrey
Last Name: Yuhasz
Company: Insurance Professionals Group
Mailing Address 1: 146 Capricorn Dr
Mailing Address 2: 4
City: Hillsborough
State: NJ
Zip Code: 08844
Email Address: yuhaszjeff1968@comcast.net
Phone: 908-500-3519
Required copies of the records: No

List of specific record(s):
All contracts and contract addendum executed between the Port Authority of NY NJ and Aon Risk Services for the provision of insurance brokerage services from 2001 to present.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

April 12, 2013

Mr. Jeffrey Yuhasz
Insurance Professionals Group
146 Capricorn Dr.
Hillsborough, NJ 08844

Re: Freedom of Information Reference No. 13833

Dear Mr. Yuhasz:

This is a response to your March 11, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code"), for copies of all contracts and contract addendum executed between the Port Authority and Aon Risk Services for the provision of insurance brokerage services from 2001 to present.

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/13833-C.pdf.

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

Very truly yours,

Ann L. Qureshi
FOI Administrator

225 Park Avenue South
New York, , NY 10003
T: 212 435 3642 F: 212 435 7555

THE PORT AUTHORITY OF NY & NJ

P.A. Agreement #TRS-06-001
May 11, 2006

Aon Risk Services, Inc. of New York
55 East 52nd Street, 35th Floor
New York, NY 10055

CONFORMED

Attention: Thomas V. Morris, Jr.
Managing Director & Executive Vice President

SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR CONTRACTOR'S INSURANCE PROGRAM

Dear Mr. Morris:

1. The Port Authority of New York and New Jersey (hereinafter referred to as the "Authority") hereby offers to retain Aon Risk Services, Inc. of New York (hereinafter referred to as "the Consultant" or "you") to provide expert professional services as more fully set forth in the attached RFP, which is made a part hereof.

This agreement will be signed by you and the Authority's Treasurer. As used herein and hereafter, the "Treasurer" means the Authority's Treasurer, acting either personally or through her duly authorized representatives acting within the scope of the particular authority vested in them unless specifically stated to mean acting personally.

For the purpose, of administering this Agreement, I have designated Ms. Veronica Biddle, General Manager, Risk Management/Treasury, to act as my duly authorized representative. The Project Manager for this project is Mr. Winson Fung, who can be reached at (212) 435-35948 or via e-mail at wfung@panynj.gov.

2. Your services hereunder shall consist of those specified in the attached RFP.

3. Your services shall be performed as expeditiously as possible and at the time or times required by the Project Manager, and shall, in any case, be completed in accordance with the schedule specified. Time is of the essence in the performance of all your services under this Agreement.

4. The Consultant shall meet and consult with Authority staff as requested by the Project Manager in connection with the services to be performed herein. Any reports and other items to be submitted or prepared by the Consultant hereunder shall be subject to the review of the Project Manager. The Project Manager may disapprove, if in his sole opinion the said items are not in accordance with the requirements of this Agreement, or are unsuited in any way for the purpose for which they are intended. If any of the said items or any portion thereof are so disapproved, the Consultant shall forthwith revise them until they meet the approval of the Project Manager, but the

Consultant shall not be compensated under any provision of this Agreement for performance of such revisions.

One Madison Avenue
New York, NY 10010
T: 212 435 7000

5. As full compensation for all your services and obligations in connection with this Agreement, the Authority will pay you the following lump sum amounts, for each year of the Agreement:

- August 1, 2006 to August 1, 2007 - $1,390,000
- August 1, 2007 to August 1, 2008 - $1,435,000
- August 1, 2008 to August 1, 2009 - $1,435,000
- The compensation for any option year awarded, under this Agreement will be negotiated, at the time of Agreement extension.

6. You shall render an invoice for services to the Project Manager thirty (30) days prior to the inception date of each individual year of the contract to provide the Authority sufficient time to process payment in a timely manner.. Each invoice shall bear your taxpayer number and the purchase order number(s) as provided by the Authority. Upon receipt of the foregoing, the Project Manager will certify to the Authority that the amount of compensation is correct. The Authority shall, within fifteen days after receipt of such certification by Project Manager, pay to you by check the sum certified.

7. The Authority may at any time for cause terminate this Agreement as to any services not yet rendered, and may terminate this Agreement without cause upon three (3) days notice to you. You shall have no right of termination as to any services under this Agreement without just cause. Termination by either party shall be by certified letter addressed to the other at its address hereinbefore set forth. Should this Agreement be terminated by either party as above provided, you shall receive no compensation for any services not yet performed, but if termination is without fault on your part, the Authority shall pay you as the full compensation to which you shall be entitled in connection with this Agreement for the services satisfactorily performed through the date of termination, an amount bearing the same proportion to the yearly Lump Sum as the work satisfactorily performed bears to the total work to be performed.

8. You shall not issue, or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Authority or the services performed in connection with this Agreement, unless you first obtain the written approval of the Project Manager. Such approval may be withheld if for any reason the Project Manager believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

9. Under no circumstances shall you or your subconsultant communicate in any way with any contractor, department, board, agency, commission or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Project Manager, provided, however that data from manufacturers and suppliers of material shall be obtained by you when you find such data necessary unless otherwise instructed by the Project Manager.

10. Any services performed for the benefit of the Authority at any time by you or on your behalf, even though in addition to those described herein, even if expressly and duly authorized by the Authority, shall be deemed to be rendered under and subject to this Agreement (unless referable to another express written, duly executed agreement by the same parties), whether such additional

services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services.

11. No certificate, payment (final or otherwise), acceptance of any work nor any other act or omission of the Authority or the Project Manager shall operate to release you from any obligations under or upon this Agreement, or to estop the Authority from showing at any time that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Authority from recovering any money paid in excess of that lawfully due, whether under mistake of law or fact or to prevent the recovery of any damages sustained by the Authority.

12. All drawings prepared by you, and other papers of any type whatsoever, whether in the form of writing, figures or delineations, computer disks or tapes, which are prepared or compiled in connection with this Agreement, shall become the property of the Authority, and the Authority 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. The Consultant hereby warrants and represents that the Authority will have at all time the ownership and rights provided for in the immediately preceding sentence free and clear of all claims of third persons whether presently existing or arising in the future and whether presently known to either of the parties of this Agreement or not. This Agreement shall not be construed, however, to require the Consultant to obtain for the Authority the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless such patent be owned by the Consultant or one of his employees, or his subconsultant or the subconsultant's employees, in which case such right shall be obtained without additional compensation. Whether or not your Proposal is accepted by the Authority, it is agreed that all information of any nature whatsoever which is in any way connected with the services performed in connection with this Agreement, regardless of the form of communication, which has been or may be given by you or on your behalf, whether prior or subsequent to the execution of this Agreement, to the Authority, its Commissioners, officers, agents or employees, is not given in confidence and may be used or disclosed by or on behalf of the Authority without liability of any kind, except as may arise under valid existing or pending patents, if any.

13. If research or development is furnished in connection with the performance of this Agreement and if in the course of such research or development patentable subject matter is produced by the Consultant, his officers, agents, employees, or subconsultants, the Authority shall have, without cost or expense to it, an irrevocable, non-exclusive royalty-free license to make, have made, and use, either itself or by anyone on its behalf, such subject matter in connection with any activity now or hereafter engaged in or permitted by the Authority. Promptly upon request by the Authority, the Consultant shall furnish or obtain from the appropriate person a form of license satisfactory to the Authority, but it is expressly understood and agreed that, as between the Authority and the Consultant the license herein provided for shall nevertheless arise for the benefit of the Authority immediately upon the production of said subject matter, and shall not await formal exemplification in a written license agreement as provided for above. Such license agreement may be transferred by the Authority to its successors, immediate or otherwise, in the operation or ownership of any real or personal property now or hereafter owned or operated by the Authority but such license shall not be otherwise transferable.

14. You shall promptly and fully inform the Project Manager in writing of any patents or patent disputes, whether existing or potential, of which you have knowledge, relating to any idea, design, method, material, equipment or other matter related to the subject matter of this Agreement or coming to your attention in connection with this Agreement.

15. This Agreement being based upon your special qualifications for the services herein contemplated, any assignment, subletting or other transfer of this Agreement or any part hereof or of any monies due or to become due hereunder without the express consent in writing of the Authority shall be void and of no effect as to the Authority, provided, however, that you may sublet services to subconsultants with the express consent in writing of the Project Manager. All persons to whom you sublet services, however, shall be deemed to be your agents and no subletting or approval thereof shall be deemed to release you from your obligations under this Agreement or to impose any obligation on the Authority to such subconsultant or give the subconsultant any rights against the Authority.

16. The Authority has a long-standing practice of encouraging Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) to seek business opportunities with it, either directly or as subconsultants or subcontractors. "Minority-owned business" or "MBE" means a business entity which is at least 51 percent owned by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51 percent of the stock of which is owned by one or more members of 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. "Women-owned business" or "WBE" means a business which is at least 51 percent owned by one or more women, or, in the case of a publicly held corporation, 51 percent 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 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 Puerto Rican, Mexican, 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. American Indian 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.

The Project Manager has set a goal of 12 percent participation by qualified and certified MBEs and 5 percent to qualified and certified WBEs on consultant projects.

To be "certified" a firm must be certified by the Authority's Office of Business and Job Opportunity.

In order to facilitate the meeting of this goal, the Consultant shall use every good faith effort to utilize subconsultants who are certified MBEs or WBEs to the maximum extent feasible.

The Authority has a list of certified MBE/WBE service firms, which is available to you at your request. The Consultant will be required to submit to the Authority's Office of Business and Job Opportunity for certification the names of MBE/WBE firms he proposes to use who are not on the list of certified MBE/WBE firms.

17. NOTIFICATION OF SECURITY REQUIREMENTS

The Port Authority of New York & New Jersey has facilities, systems, and projects where terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. The Authority reserves the right to impose multiple layers of security requirements on the Consultant, its staff and sub-consultants and their staffs depending upon the level of security required, as determined by the Authority. These security requirements may include but are not limited to the following:

- Consultant/sub-consultant identity checks and background screening, including but not limited to: 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; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; multi-year check of personal, employment and/or credit history; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like:
    - Issuance of Photo Identification cards;
    - Access control, inspection, and monitoring by security guards.
- The Consultant may be required to have its staff, and any sub-consultant's staff, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. The Consultant may also be required to use an organization designated by the Authority to perform the background checks. The cost for said background checks shall be reimbursable to the Consultant as an out-of-pocket expense as provided herein.

The Authority may impose, increase, and/or upgrade security requirements for the Consultant and its staff and sub-consultants during the term of this agreement to address changing security conditions and/or new governmental regulations.

18. With regard to work performed on Authority premises, the Consultant will indemnify and hold harmless the Port Authority against claims, loss and damage, for bodily injury, death or damage to personal property arising out of the Consultant's negligence.

19. CERTIFICATION OF NO INVESTIGATION (CRIMINAL OR CIVIL ANTI-TRUST), INDICTMENT, CONVICTION, DEBARMENT, SUSPENSION, DISQUALIFICATION AND DISCLOSURE OF OTHER INFORMATION

By signing this Agreement, the Consultant and each person signing on behalf of the Consultant certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, that the Consultant and each parent and/or affiliate of the Consultant has not:

A. been indicted or convicted in any jurisdiction;

B. been suspended, debarred, found not responsible or otherwise disqualified from entering into any agreement with any governmental agency or been denied a government agreement for failure to meet standards related to the integrity of the Consultant;

C. had an agreement terminated by any governmental agency for breach of agreement 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 Proposal;

E. had any business or professional license suspended or revoked or, within the five years prior to proposal 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, proposal 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.

20. NON-COLLUSIVE PROPOSING, AND CODE OF ETHICS CERTIFICATION, CERTIFICATION OF NO SOLICITATION BASED ON COMMISSION, PERCENTAGE, BROKERAGE, CONTINGENT OR OTHER FEES

By proposing on this Agreement, each Consultant and each person signing on behalf of any Consultant certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that:

A. the prices in its proposal 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 consultant or with any competitor;

B. the prices quoted in its proposal have not been and will not be knowingly disclosed directly or indirectly by the Consultant prior to the official opening of such proposal to any other consultant or to any competitor;

C. no attempt has been made and none will be made by the Consultant to induce any other person, partnership or corporation to submit or not to submit a proposal 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 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 "Consultant's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority 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 Consultant for the purpose of securing business, has been employed or retained by the Consultant to solicit or secure this Agreement on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

F. the Consultant has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or form 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 Agreement.

The foregoing certifications shall be deemed to be made by the Consultant as follows:

* if the Consultant is a corporation, such certification shall be deemed to have been made not only with respect to the Consultant itself, but also with respect to each parent, affiliate, director, and officer of the Consultant, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Consultant with an ownership interest in excess of 10%;

* if the Consultant is a partnership, such certification shall be deemed to have been made not only with respect to the Consultant itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Consultant, shall be deemed to have been authorized by the Board of Directors of the Consultant, and such authorization shall be deemed to include the signing and submission of the proposal and the inclusion therein of such certification as the act and deed of the corporation.

In any case, where the Consultant cannot make the foregoing certifications the Consultant shall so state and shall furnish with the signed proposal a signed statement, which sets forth in detail the reasons therefor. If the Consultant is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its proposal, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Consultant may be able to make the foregoing certifications at the time the proposal is submitted, the Consultant shall immediately notify the Authority in writing during

the period of irrevocability of proposals on this Agreement or any extension of such period 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 Consultant with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Agreement. In the event that the Authority should determine at any time prior or subsequent to the award of this Agreement that the Consultant 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, the Authority may determine that the Consultant is not a responsible Consultant with respect to its proposal on the Agreement or with respect to future proposals on Authority agreements and may exercise such other remedies as are provided to it by the Agreement with respect to these matters. In addition, Consultants 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.). Consultants are also advised that the inability to make such certification will not in and of itself disqualify a Consultant, and that in each instance the Authority will evaluate the reasons therefor provided by the Consultant.

21. CONSULTANT ELIGIBILITY FOR AWARD OF AGREEMENTS - DETERMINATION BY AN AGENCY OF THE STATE OF NEW YORK OR NEW JERSEY CONCERNING ELIGIBILITY TO RECEIVE PUBLIC AGREEMENTS

Consultants are advised that the Authority has adopted a policy to the effect that in awarding its agreements it will honor any determination by an agency of the State of New York or New Jersey that a consultant is not eligible to propose on or be awarded public agreements because the consultant has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a consultant whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a proposal on a Port Authority agreement and then to establish that it is eligible to be awarded an agreement on which it has submitted a proposal because (i) the state agency determination relied upon does not apply to the consultant, or (ii) the state agency determination relied upon was made without affording the consultant the notice and hearing to which the consultant was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state agency 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 the Authority's Board of Commissioners meeting of September 9, 1993.

22. NO GIFTS, GRATUITIES, OFFERS OF EMPLOYMENT, ETC.

During the term of this Agreement, the Consultant shall not offer, give or agree to give anything of value either to an Authority employee, agent, job shopper, consultant, construction manager or

other person or firm representing the 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 Authority of duties involving transactions with the Consultant on behalf of the Authority, whether or not such duties are related to this Agreement or any other Authority agreement or matter. Any such conduct shall be deemed a material breach of this Agreement.

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 Agreement or any other Port Authority agreement), etc. which might tend to obligate the Port Authority employee to the Consultant, 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 Agreement or any other Authority agreement. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Consultant 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 agreement, the Consultant 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 Consultant shall include the provisions of this clause in each subagreement entered into under this Agreement.

23. CONFLICT OF INTEREST

During the term of this agreement, the Consultant shall not participate in any way in the preparation, negotiation or award of any agreement (other than an agreement for its own services to the Authority) to which it is contemplated the Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such an agreement if the Consultant has a substantial financial interest in a contractor or potential contractor of the Port Authority or if the Consultant has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Consultant 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 Consultant has reason to believe such an arrangement may be the subject of future discussion, or if the Consultant has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Consultant's participation in the preparation, negotiation or award of any agreement with such a contractor or the review or resolution of a claim in

connection with such an agreement is contemplated or if the Consultant has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Consultant shall immediately inform the Project Manager in writing of such situation giving the full details thereof. Unless the Consultant receives the specific written approval of the Project Manager, the Consultant shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Treasurer shall determine that the performance by the Consultant of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Consultant's said services is determined by the Treasurer to be no longer appropriate because of such preclusion, then the Treasurer shall have full authority on behalf on both parties to order that such portion of the Consultant's services not be performed by the Consultant, 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 Consultant's execution of this document shall constitute a representation by the Consultant that at the time of such execution the Consultant 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 Consultant's part. The Consultant acknowledges that the Authority 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 agreements which result, directly or indirectly, from the services provided by the Consultant hereunder.

24. DEFINITIONS

As used in sections 19 through 23, above, 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 consultant by whatever titles known.

Parent - An individual, partnership, joint venture, or corporation which owns more than 50% of the voting stock of the consultant.

25. The entire agreement between the parties is contained herein and no change in or modification, termination or discharge of this Agreement in any form whatsoever shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith, or his duly authorized representative, provided, however, that termination in the manner hereinbefore expressly provided shall be effective as so provided.

26. No Commissioner, officer, agent or employee of the Authority shall be charged personally by you with any liability or held liable to you under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach hereof.

27. If the foregoing meets with your approval, please indicate your acceptance by signing the original and the additional enclosed copy in the lower left-hand corner and returning them to the Authority.

Very truly yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By A M Mulligan
Anne Marie Mulligan
Treasurer

Date 11/30/06

ACCEPTED:
Aon Risk Services, Inc. of New York

By: Thomas V. Morris

Title: MANAGING DIRECTOR

Date: 6/2/06

THE PORT AUTHORITY OF NY & NJ

March 23, 2007

Andrea Roitman
Director, Procurement Department

Aon Risk Services, Inc. of New York
55 East 52nd Street
New York, NY 10055

CONFORMED

Attention: Thomas V. Morris
Managing Director & Executive Vice President

SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR CONTRACTORS INSURANCE PROGRAM (PA AGREEMENT #TRS-06-001) AMENDMENT #1

Dear Mr. Morris:

The Port Authority of New York & New Jersey hereby offers to amend the subject agreement, dated May 11, 2006 as follows:

On Page 2, after paragraph 5, insert a new paragraph 5A as follows:

"5A. As full compensation for all of your services and obligations in connection with the performance of those services contained in Exhibit 1, included herewith and made a part hereof, the Authority will pay you the total lump sum amount of $6.2M (based on 4.1% of a premium of $151M). When new construction added to the program results in an increased construction value that necessitates an increase in premium, the increase in premiumshall give rise to an increase in fee, computed as 4.1% of the increase in premium amount, the increased fee to be paid in equal installments with each remaining annual fee payment.

Said amount shall be paid in the following increments, payable on or about the start date of each period:

- March 31, 2007 to March 30, 2008 - $1,240,000
- March 31, 2008 to March 30, 2009 - $1,240,000
- March 31, 2009 to March 30, 2010 - $1,240,000
- March 31, 2010 to March 30, 2011 - $1,240,000
- March 31, 2011 to April 1, 2012 - $1,240,000

Wholesale broker income and environmental commission remain in place, will not increase the fee paid by the Port Authority, and may result in a reduction of the fee as mutually agreed upon by the parties.

One Madison Avenue, 7th Floor
New York, NY 10010
T: 212 435 3981

The term for performance of these services shall be for 5-years ending April 1, 2012. The Authority will have the option to extend the Consultant's services as provided under Amendment #1 one additional two year period, at a mutually agreed upon fee."

Please indicate your acceptance of this amendment by signing both original copies and returning one copy to Tim Volonakis, Manager, Professional Services, The Port Authority of New York & New Jersey, One Madison Avenue – 7th Floor, New York, NY 10010.

Sincerely,

Tim Volonakis

Andrea Roitman
FOR Director
Procurement Department

ACCEPTED:
Aon Risk Services, Inc. of New York

By: Thomas V. Murray

Title: RESIDENT MANAGING DIRECTOR

Date: 3/27/07

THE PORT AUTHORITY OF NY & NJ

July 28, 2009
VIA HAND DELIVERY
Aon Risk Services, Inc. of New York
PO Box 342
Jericho NY, 11753

Lillian D. Valenti
Director, Procurement

CONFORMED

Attention: James Hayes, Senior Vice President

SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR CONTRACTOR'S INSURANCE PROGRAM – AMENDMENT TO P.A. AGREEMENT #TRS-06-001

Dear Mr. Hayes:

The Port Authority of New York and New Jersey hereby offers to amend the subject Agreement, dated May 11, 2006, as follows:

On page 2 of the subject agreement, Section 5, at the end of the first paragraph, delete the last bullet and replace with the following:

- August 1, 2009 to August 1, 2010 - $1,473,407
- August 1, 2010 to August 1, 2011 - $1,473,407
- August 1, 2011 to August 1, 2012 - $1,473,407

The subject Agreement shall remain in full force and effect, except as amended above. If you are in agreement with the foregoing changes, please indicate your acceptance by signing both original copies of this amendment in the lower right-hand corner and returning ***both*** originals to Ms. Tracy Tiernan, Staff Contract Specialist, The Port Authority of New York and New Jersey, One Madison Avenue, 7th Floor, New York, NY 10010.

If you have any questions relating to this extension, please direct them to the Project Manager, as referenced in said Agreement.

By signing this amendment you hereby affirm your certification under paragraphs 19 and 20 of the subject Agreement. The return of one copy executed by the Authority will effectuate the Agreement.

Sincerely yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

Michael B Jogunter
for Lillian D. Valenti
Director
Procurement Department

ACCEPTED:

AON RISK SERVICES, INC. OF NEW YORK

By: [signature]

Title: Sr. Vice President

Date: 7/30/09

One Madison Avenue, 7th Floor
New York, NY 10010
T: 212 435 8427

THE PORT AUTHORITY OF NY & NJ

Lillian D. Valenti
Director, Procurement

September 1, 2009

Aon Risk Services Inc, of New York
55 East 52nd Street, 35th floor
New York, NY 10055

CONFORMED

Attention: Mr. Thomas V. Morris, Jr
Managing Director & Executive Vice President

SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE SERVICES FOR CONTRACTOR'S INSURANCE PROGRAM (P.A. AGREEMENT #TRS-06-001) – AMENDMENT #1

Dear Mr. Morris:

The Port Authority of New York and New Jersey hereby offers to amend the subject agreement, dated May 11, 2006 with the document entitled Amendment #1 effective August 1,2009

The subject agreement shall remain in full force and effect, except as set forth in the attached Amendment # 1. If you are in agreement with the Amendment, please indicate your acceptance by signing both original copies of this letter and returning one original to Stacey Willner, The Port Authority of New York and New Jersey, One Madison Avenue, 7th Floor, New York, NY 10010.

If you have any questions relating to the Amendment, please direct them to the Project Manager, as referenced in said agreement.

By signing this letter you hereby affirm your certification under paragraphs 19 and 20 of the subject agreement.

Sincerely yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

Lillian D. Valenti
Director
Procurement Department

OK
Form

ACCEPTED:

Aon Risk Services Inc, of New York

By: _____

Title: Sr. Vice President

Date: 9/1/09

One Madison Avenue, 7th Floor
New York, NY 10010
T: 212 435 8427

Amendment #1

This amendment (the "Amendment"), effective September 1, 2009 (the "Effective Date"), amends the PA Agreement #TRS-06-001 between Aon Risk Services, Inc. of New York and The Port Authority of New York & New Jersey, dated May 11, 2006 (the "Agreement") for the purpose of providing a software license and support to The Port Authority of New York & New Jersey.

Section 1. Definitions

"Administrative Authority" means any foreign, federal, state, local or other governmental authority, regulatory body or stock exchange or listing authority.

"Documentation" means all Software systems specifications, flow charts, user, training and systems manuals and all other written materials that are required to use the Software.

"Licensee" means The Port Authority of New York & New Jersey.

"Licensee Indemnified Parties" has the meaning set forth in Section 9(a).

"Licensor" means Aon Risk Services, Inc. of New York.

"Licensor Indemnified Parties" has the meaning set forth in Section 9(b).

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or Administrative Authority.

"Support" means the support services identified in Section 5.

"Software" means the proprietary computer software system called AonWrap and all Documentation.

Section 2. Grant

(a) Licensor hereby grants to Licensee a non-exclusive, worldwide license to use and operate the Software provided pursuant hereto for Licensee's internal use only, subject to the terms and conditions hereof. The License shall permit the Licensee to open new contracts, add subcontracts, and close out contracts. Licensee may only permit a maximum of 8 of its employees who are specifically identified ("Named Users") to use and operate the Software. Other than the Named Users, Licensee shall not permit any Person to access, use, operate or view the Software without Licensor's prior express written consent at Licensor's sole discretion, which consent may require the Person to execute a confidentiality agreement with Licensor. The parties shall follow Licensor's process for maintaining the list of Named Users.

(b) Notwithstanding sections 12 and 13 of the Agreement, Licensee shall acquire no ownership right, title or interest in the Software provided by Licensor under this Amendment and Licensor reserves all rights not expressly granted herein.

(c) Licensor may supplement, modify, substitute or otherwise alter any of the Support or Software from time to time, which may include ceasing to support or disabling the Software. Licensor shall provide Licensee with 30 days' notice prior to implementing any material change with respect to any of the Support. Licensor shall have no obligation to upgrade, enhance or otherwise modify any computer hardware, Software or network environment currently used by Licensee or to provide any support or

maintenance services for any computer hardware, Software or network environment that has been upgraded, enhanced or otherwise modified from the computer hardware, Software or network environments that is currently used by Licensee, except as otherwise provided herein. The computer requirements for the Software are Windows® 2000 or higher.

Section 3. Term and Termination

(a) The term of this Amendment shall be for September 1, 2009 through July 31, 2012 ("Initial Term"), unless otherwise terminated in accordance with the provisions set forth herein.

(b) Licensor may terminate this Amendment (i) in the event of a breach of the terms of this Amendment by Licensee or (ii) upon thirty (30) days prior written notice to Licensee of when Licensor shall cease supporting or disable the Software. Licensee may terminate this Amendment at any time upon three (3) days prior written notice to Licensor.

(c) In addition to Licensor's right to terminate under Section 3(b), Licensor may terminate any of the Support that are, as of the Effective Date, provided pursuant to a Vendor Contract if such Vendor Contract is terminated for any reason other than Licensor's breach or non-performance. Nothing herein shall limit Licensor's ability to exercise its rights under the Vendor Contracts.

(d) Upon termination of this Amendment or of a Licensee's employee's status as a Named User, Licensee shall return to Licensor all key fobs (electronic keys) that are provided to Licensee to access Licensor's secure network.

(e) Upon termination by either Licensee or Licensor, Licensee must return all key fobs used to access the application within 7 days after the effective date of the termination. If this Agreement is terminated for any reason by either Licensee or Licensor during the Initial Term, Licensee shall pay to Licensor (i) the annual Support and User Access fees (pro-rated monthly) through the effective date of the termination and (ii) any unpaid portion of the one-time System Configuration, User Access and Support fees, minus the annual installments pre-paid by Licensee. Such fees shall be due and payable within thirty (30) days of the effective date of the termination.

Section 4. Delivery of Software

Licensor shall promptly make available to Licensee the Software over the Internet.

Section 5. Support

(a) Training: One calendar week of training (class room & on-the-job) to commence at an agreed upon time within 30 days of the Effective Date at no additional cost to Licensee. A training day shall be one standard business day (e.g., 8am to 4pm). Travel and expense for training that is not conducted in one calendar week at the request of Licensee or additional on-site training shall be at Licensee's expense. In the event of any system upgrades that impact Licensee's process (as outlined in the Custom User Manual), Licensor will provide additional training to Licensee via a WebEx or AT&T electronic meeting at no cost to Licensee within 2 business days if the system modifications impact the core process and within 10 business days if the impact is outside core processes.

(b) Custom User Manual. Licensee shall be provided with an electronic copy of the Custom User Manual, which it may make copies as required for its internal use. If a change in the Software necessitates an updated Custom User Manual, Licensee shall be provided with electronic copies of the

updated Custom User Manual. Licensee shall not be responsible for any shipping or postage costs of any electronic copy of the Custom User Manual.

(c) Technical Support: Help Desk support and problem diagnosis. Technical Support issues will be coordinated through the AonWrap Help Desk. The e.mail account is manned from 8am - 8pm eastern time Monday - Friday, excluding legal holidays, and cell phone access is generally available 2 hours before and after those specified times. A 4 hour contact period time can be anticipated.

(d) Licensee shall be required to use an Aon Lotus Notes account for automatic emailing of reports generated by the Software. Licensor will automatically forward the Lotus Notes email to a Licensee-designated Port email account.

Section 6. Fees and Payment

(a) Notwithstanding section 6 of the Agreement, these terms shall apply to the Software and Support under this Amendment.

(b) License Fees and Service Fees are provided in Appendix A, attached hereto. Service Fees include System Configuration, Support, and Use of Faxing/Email.

(c) The first installment shall be due upon execution of this Amendment by Licensee. Licensee shall be billed on the first day of the months identified Appendix A and on an annual basis for per-use Service Fees (e.g., additional faxes/emails). Custom Functionality/Reports; Conversion; and Custom Letters shall be billed to Licensee on an as-requested basis, with payment amounts and schedules to be included within scope documents to be prepared and approved prior to any custom work commencing; and Licensee shall identify a manager who can approve those fees and the scope document. Licensee shall pay all invoices within 30 calendar days of the date of receipt (the "Due Date"). Should Licensee dispute any portion of any invoice, Licensee shall promptly notify Licensor in writing of the nature and basis of the dispute, but in no event later than the 30th calendar day after the Due Date.

(d) If Licensee fails to pay the full amount of any invoice within 30 days after the relevant Due Date, such failure shall be considered a material breach of this Amendment (except to the extent of any invoiced amounts reasonably disputed by Licensee in good faith and of which dispute Licensee has notified Licensor in accordance with the requirements of this Amendment) and Licensor may, without liability, suspend its obligations hereunder to provide any and all of the Support and Software access to Licensee until such time as such invoices have been paid in full (except to the extent of any invoiced amounts reasonably disputed by Licensee in good faith and of which dispute Licensee has notified Licensor in accordance with the requirements of this Amendment). The remedy provided to Licensor by this Section 6 (d) shall be without limitation of any other applicable provisions of this Amendment.

(e) All charges and fees to be paid by Licensee to Licensor and its Affiliates under this Amendment are exclusive of any applicable taxes required by law to be collected from the Companies (including sales, use, excise or services taxes, which may be assessed on the provision of the Support hereunder). If a sales, use, excise or services tax is assessed on the provision of any of the Support provided under this Amendment, Licensor shall provide Licensee with written notice of such tax and Licensee shall pay directly, reimburse or indemnify Licensor and its Affiliates for such tax. The parties shall cooperate with each other in determining the extent to which any tax is due and owing under the circumstances, and shall provide and make available to each other any resale certificate, information regarding out-of-state use of materials, services or sale, and other exemption certificates or information reasonably requested by the other party.

Section 7. Confidentiality

The Software is the confidential information of Licensor. Except as required by the Port Authority's Freedom of Information Policy, adopted by the Board of Commissioners on November 20, 2008, which may be found on the Authority website at http://www.panynj.gov/AboutthePortAuthority/ContactInformation/foi_policy.html, Licensee shall not disclose or permit to be disclosed such confidential information to any outside Person unless legally compelled to disclose such information or Licensor has granted permission in writing in advance.

Section 8. Limitations

(a) The Software and Support are being provided to Licensee AS-IS. EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN, NEITHER LICENSOR NOR ANY OF THE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS OF LICENSOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE SOFTWARE OR THE LICENSE GRANTED HEREUNDER, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR ANY RESULTS GENERATED FROM USE OF THE SOFTWARE, OR THE QUALITY, ACCURACY, RELIABILITY, OR COMPLETENESS THEREOF.

(b) IN NO EVENT WILL EITHER PARTY HEREUNDER BE LIABLE TO THE OTHER PARTY HEREUNDER FOR DAMAGES IN THE FORM OF SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES OR LOST PROFITS, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH THIS AMENDMENT, EVEN IF SUCH PARTY SHALL HAVE BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, THE AMOUNTS DUE FROM LICENSOR TO LICENSEE BASED UPON LICENSOR'S OBLIGATIONS TO INDEMNIFY LICENSEE PURSUANT TO THIS AGREEMENT SHALL NOT BE DEEMED TO BE DAMAGES THAT WOULD BE LIMITED BY THIS SECTION 8(b). THE FOREGOING REPRESENTS AN EXPRESS ALLOCATION OF RISK BETWEEN THE PARTIES.

Section 8A. Warranties.

Notwithstanding the above, the Software and Support are warrantied to perform in accordance with their published specifications and any other material provided to the Authority by Aon. Furthermore Aon warrants that it has all necessary rights and title to license the Software and that it is not violating the intellectual property rights of any third party by licensing the Software or by providing the Support.

Section 9. Indemnity

(a) Licensor shall indemnify, defend and hold harmless Licensee and its Commisioners, officers, employees and agents (the "Licensee Indemnified Parties") from any and all damage, loss, liability and expense (including without limitation, reasonable attorney's fees in connection with any action, suit or proceeding) incurred or suffered by the Licensee Indemnified Parties arising out of any breach of any representation or warranty on the part of Licensor herein.

(b) Licensee shall indemnify, defend and hold harmless Licensor, its Affiliates, and its directors, officers, employees and agents (the "Licensor Indemnified Parties") from any and all damage, loss, liability and expense (including without limitation, reasonable attorney's fees in connection with any action, suit or proceeding) incurred or suffered by the Licensor Indemnified Parties arising out of (i) any breach of any representation or warranty on the part of Licensee herein or (ii) any modification, alteration, adaptation or other activity by the Licensee or its agents that causes the Software to become infringing.

(c) A party required to indemnify the other party under this Amendment shall have no obligations for any claim under this Article unless (i) the indemnified party notifies the indemnifying party of such claim as soon as practicable, but in no event more than fifteen days after the indemnified party receives notice thereof (unless a later notice, which shall not exceed thirty days, does not adversely affect the indemnifying party's ability to defend such claim); (ii) the indemnified party tenders control of the defense of such claim to the indemnifying party; and (iii) the indemnified party provides the indemnifying party with all reasonable cooperation in such defense of such claim at the expense of the indemnifying party. The indemnifying party shall have no obligation for any claim under this Amendment if the indemnified party makes any admission, settlement or other communication regarding such claim without the prior written consent of the indemnifying party. The indemnified party shall have the right (but not the obligation) to participate in such defense or settlement, in which event each party shall pay its respective attorneys' fees.

(d) This Section 9 shall survive the termination of this Amendment for any reason.

Section 10. Miscellaneous Provisions

(a) Waivers and Amendments; Non-Contractual Remedies; Preservation of Remedies This Amendment may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by each of the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege, nor any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

(b) Entire Agreement This Amendment constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties, and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Amendment or the subject matter hereof except as specifically set forth or contemplated herein or therein.

(c) Governing Law THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS LAW).

(d) Notices Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed) or sent by overnight courier (providing proof of delivery), to the parties at the following addresses:

if to Licensee to:

with a copy to:

if to Licensor, to:

Aon Risk Services
1850 N. Central Avenue, Suite 1700
Phoenix, AZ 85004

Attention: Jane C. Mauldin
Facsimile: 847-953-0659

with a copy to:

Aon Service Corporation
200 E. Randolph Street
Chicago, Illinois 60601
Attention: Samantha E. Caldwell
Facsimile: (312) 381-6009

Any party may, by notice given in accordance with this Section 10(d) to the other party, designate another address or Person for receipt of notices hereunder provided that notice of such a change shall be effective upon receipt.

(e) Severability If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction to be invalid, void or unenforceable, Licensor and Licensee direct that such court interpret and apply the remainder of this Amendment in the manner that it determines most closely effectuates their intent in entering into this Amendment, and in doing so particularly take into account the relative importance of the term, provision, covenant or restriction being held invalid, void or unenforceable.

(f) No Third Party Beneficiaries The terms and provisions of this Amendment are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other party, including employees. Neither this Amendment nor any right hereunder may be assigned by Licensee to any third party without the written consent of Licensor. Except as otherwise specifically provided in this Section, nothing in this Amendment is intended or shall be construed to give any Person (including, but not limited to, the employees of Licensor or any Affiliate of Licensor), other than the parties hereto, and their respective successors and permitted assigns, any legal or equitable right, remedy or claim under or in respect of this Amendment or any provision contained herein.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

Aon Risk Services Northeast, Inc. (formerly known as Aon Risk Services, Inc. of New York)	Port Authority
By:	By:
Name: ~~Thomas V. Morris, Jr.~~ James Hayes	Name:
Title: ~~Resident Managing Director~~ Sr. Vice President	Title: Director, Procurement

Appendix A

Port Authority of NY / NJ					
Service	One-Time	Year 1 Annual	Year 2 Annual	Year 3 Annual	Total
System Configuration	42,000				42,000
License Fee: User Access	45,000		29,600	29,600	104,200
Support	26,000	34,175	42,500	42,500	145,175
Conversion	Not included				
Custom Functionality/Reports	Not included				
Custom letters	Not included				
Use of Faxing/Email	na	(480 Emails included)			
Totals	**113,000**	**34,175**	**72,100**	**72,100**	**291,375**

Total fees shall be paid as defined below (please note that Year 1 is prorated to 11 months given the start date of Sept 1, 2009)

Payment Schedule -

September 2009	$ 33,300
January 2010	$ 58,275
August 2010	$ 41,625
January 2011	$ 58,275
August 2011	$ 41,625
January 2012	$ 58,275

Assumptions

1. The existing Aon OCIP administrative process remains relatively the same.
2. Pricing includes
   - Licensing expense of underlying applications (Aon Connect, Key FOB, Citrix)
   - One week training in the Port's offices
   - Custom User Manual for Port that specifically addresses Port's procedures and use of AonWrap (approx 35 pages)
   - Tech support for system access, AonWrap and printer issues for AonWrap work products only
   - Help desk support (how to) and problem diagnostics
   - Data Storage as follows:
     - Reports - 2 months
     - Letters - 3 weeks
     - Data - archiving will be discussed and mutually agreed upon
3. Pricing does not include:
   - Conversion; A conversion could be accommodated, but a separate fee would be developed after further review
   - Custom Reports & Added functionality (approx cost $18,000 per report -- depends on complexity)
   - Custom Letters (approx cost $4,000)
   - Other services not specifically listed in Assumption 2 above.

4. Port shall be required to use an Aon Lotus Notes account for automatic e.mailing of reports. Aon will automatically forward the Lotus Notes email to a Licensee-designated Port email account.
5. Use of report generation and automatic e.mailing is estimated at 480 distributions annually (5 reports for 12 month to 8 individuals)
6. Deviations may result in additional annual charge of $3.50 per distribution.
7. Port must use any upgrades incorporated into system, including complete re-write of the system
8. For additional Named Users, the User Access License Fee shall be $3,700 per Named User. and the Support Fee shall be $5,312.50 per Named User.

THE PORT AUTHORITY OF NY & NJ

PROCUREMENT DEPARTMENT

PROFESSIONAL, TECHNICAL & ADVISORY SERVICES DIVISION
ONE MADISON AVENUE, 7TH FLOOR
NEW YORK, NY 10010

REQUEST FOR PROPOSALS

EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR CONTRACTORS' INSURANCE PROGRAM

RFP Number: 9128

PROPOSAL DUE DATE: FEBRUARY 13, 2006
TIME: 2:00 PM EST

ATTENTION: RFP CUSTODIAN

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I.A. APPENDICES

Appendix A Comprehensive Annual Financial Report For The Year Ended 2004 available at the Authority's website:

http://www.panynj.gov/AboutthePortAuthority/InvestorRelations/AnnualReport/pdfs/2004_Annual_Report.pdf

Appendix B List of Contracts covered in CIP

Appendix C Mission Statement: Risk Control Section

Appendix D Loss Histories

Appendix E Agreement on Terms of Discussion

Appendix F Standard Agreement

Appendix G Pricing Sheet

I.B. INTRODUCTION

The Port Authority of New York and New Jersey and its wholly owned corporate entities, referred to as the "Authority", is interested in receiving written proposals from insurance brokerage firms for a cost-efficient program(s) providing appropriate insurance protection for the Authority, its contractors, and sub-contractors who perform construction work under contract to the Authority.

The goal is to choose a qualified, creative insurance brokerage firm who will reflect the Authority's interests, assist in developing program(s), market selected insurance options, and provide the services necessary for a successful owner-controlled insurance program (Contractors Insurance Program (CIP)).

A detailed description of the current program appears in Section IV.A.

The Authority is particularly interested in the conceptual design and pricing of the program(s) and the service capabilities of the brokerage firm. Proposals will be judged on a pre-determined set of criteria detailed in Section VIII of this Request for Proposals (RFP). Brokerage firms are encouraged to submit alternative programs for consideration. Although not guaranteed, it is anticipated that the selected brokerage firm will perform the services set forth in this RFP for the entire program for a period of up to five years. BROKERS ARE PROHIBITED FROM CONTACTING ANY INSURER, INSURANCE MARKET, REINSURER, UNDERWRITER OR UNDERWRITING GROUP (INCLUDING ANY INSURANCE COVERHOLDER OR BROKER HOLDING UNDERWRITING AUTHORITY), OR ANY OTHER POTENTIAL FINANCIAL MARKET REGARDING THIS RFP. FAILURE TO COMPLY WITH THIS "NO MARKET CONTACT" RULE WILL RESULT IN DISQUALIFICATION FROM SELECTION.

The Authority's objective is to have the CIP brokerage firm in place no later than August 1, 2006.

II. GOALS AND OBJECTIVES

The Authority is interested in learning of creative ways to structure and finance its CIP, and in selecting a brokerage firm that is capable, competent, and service-oriented to handle the complexities of such programs as are maintained by the Authority.

The proposed program should concentrate on addressing five key issues:

- services provided by the brokerage firm
- structure and design
- coverage terms and conditions
- limits of financial protection
- cost

The Authority's preference is a guaranteed cost program, or, if adjustable, one which recognizes only positive loss experience.

The Appendices contain relevant financial, background and underwriting information that should prove helpful in designing an effective risk financing strategy.

The Authority expects a certain standard and quality of service from its chosen brokerage firm. The brokerage firm's standards and criteria for costs, marketing strategy, and service qualifications shall be detailed as outlined in Section VI, Specific Proposal Responses. It is expected that the selected brokerage firm will be able to show the capability and willingness to service the Authority account at the highest level.

The Authority anticipates entering into an agreement with the successful brokerage firm to place the CIP for multiple policy terms, commencing with a three-year term effective August 1, 2006. The Authority will have the option to extend the agreement for one three-year option. The successful brokerage firm is also required to handle any residual claims and existing policies from the previous brokerage coverage period. The brokerage firm will provide, but may not be limited to, the following services in connection with this agreement: Note that the Authority may consider innovative pricing structure for the entire six-year term of this agreement.

- Design the insurance coverage for the CIP, including, but not limited to, Multi-State Workers' Compensation, General Liability, Excess Liability and Builders' Risk. The Authority may consider additional coverages not currently provided in the CIP. The successful brokerage shall also extend service to include claims and contracts currently open and covered by the existing CIP.
- Facilitate claims administration process. The Authority retains right to choose counsel from carrier's panel for CIP defense and to amend such selection at any time during the pendency of the program. In addition, a Claims Review Committee (CRC) has been established that is comprised of members of the Authority's staff, the brokerage firm's staff, defense counsel, claims investigator, and underwriters from the lead carrier. The objective of this committee is to chart a course of action with respect to major claims and develop protocols for the resolution of less serious actions. The collaborative effort has yielded positive results for both the Authority and the insurance carriers in claim cost containment and control. It is the intent of the Authority to continue the CRC with its CIP.
- Submit the design and marketing approach of the individual coverage requirements of the CIP to the Authority for approval prior to brokerage firm's initiation of marketing of the CIP to likely insurance carriers.
- Organize and staff a dedicated CIP service team. The service team will consist of an account manager, insurance broker, claims professionals, construction loss control specialists and CIP administrators as needed to provide timely service. This service team will have as its primary responsibility the design, oversight, and implementation of the Authority's CIP for all construction sites and will act as the processing conduit for the CIP administration. In addition, the brokerage firm will seek the Authority's consultation and approval of any personnel changes made to the service team for the duration of the contract.

- Provide various reports, including quarterly progress reports, accident analysis, claim summary reports, projected cash flow analysis, reports to underwriters, and such other reports as may be reasonably requested by the Authority with respect to the CIP. The financial reports to include data by project, premium allocation, project estimated savings, claims status summaries, and loss control status reports.
- The Authority is currently looking into alternative risk transfers as an effective way to manage the price, capacity, cover and service of its insurance programs. The formation of a captive insurance company is being considered and the CIP may be an integral part of the captive insurance company. .

III. GENERAL INFORMATION

A. BACKGROUND INFORMATION

Your attention is directed to Appendix A – Comprehensive Annual Financial Report for the Year Ended December 31, 2004, for a description of Authority operations, finances, official statements, and certain additional information. In addition, you may wish to consider that in 1951, the States of New York and New Jersey adopted legislation consenting to a waiver of certain of the Authority's immunities from suit and from liability, subject to, among other requirements in specific cases, the filing of a valid and timely notice of claim in an action for money damages and commencement of suit in all actions within one year from the date the cause of action accrues.

Further information about the Authority's business areas, facilities and programs is available on the Authority's web site at **http://www.panynj.gov**.

Each proposer is expected to perform its own analysis of the data supplied in the Appendices and to base its submittals on that analysis.

B. RISK MANAGEMENT

The Treasury Department's Risk Management Division (The Division) is responsible for the overall risk management program of the Authority which includes the Authority's CIP, Public Liability and Property Insurance Programs, a workers' compensation section managing a self-insured, TPA-administered workers' compensation program, as well as a contracts and agreements section which manages the insurance requirements in leases and contracts, respectively. The Division is responsible for preserving Authority financial, physical and human assets and resources by developing and administering risk transfer, retention and reduction policies, programs and techniques. The Division administers a complex insurance and self-insurance portfolio that requires worldwide capacity. In carrying out this responsibility, centralized internal controls and evaluation processes are maintained in order to effectively assess the Authority's loss-bearing capacity and its exposure to financial and physical loss.

Although not part of Risk Management, the Claims Division of the Authority's Law Department is responsible for the general oversight of all claims brought against and

by the Authority and its subsidiaries and affiliated entities. Specific reporting requirements, outlined in current policies, mandate which claims are reported to insurers.

C. RISK MANAGEMENT PRACTICES

The Authority has taken several important steps to reduce its exposure to loss. Those steps may include:

- Contractually (leases, permits, licenses, rights-of-entries and other contracts) transferring responsibility for various operations to tenants, construction contractors, maintenance and service contractors, or other enterprises.
- Hold harmless agreements and requirements that the Authority be named as an additional insured under liability insurance policies furnished by tenants, contractors, vendors, consultants, etc. Please note that the amount of insurance required by the Authority from third parties will vary, depending upon the specific contractual arrangement involved. Generally, coverage is requested at not less than $2 million per occurrence.

IV. A. THE CONTRACTORS INSURANCE PROGRAM (CIP)

The Authority's CIP began in 1986 and has existed continuously since that time. When formed, the program was designed as an owner-controlled insurance program (OCIP) or "rolling wrap-up" and provided General Liability, Builders' Risk and Workers' Compensation coverages to the vast majority of contractors and sub-contractors working on Authority construction and construction related projects.

In 1988 the concept was expanded with the formation of the Maintenance & Service Insurance Program (MSIP), which provided General Liability and Workers' Compensation coverages for the Authority's maintenance and service contractors. MSIP was removed in 1999.

CIP has continued to evolve in the years since its inception and has gone through a number of changes:

- Effective 1/1/91, the General Liability limit was $25 million per occurrence.
- Effective 3/1/94, the Builders Risk limit was $50 million per occurrence.
- Effective 1/1/99, no new maintenance and service contracts were to be added to CIP. Those contracts currently in-force will run-off to their natural expiration.

A recap of the current program, expiring July 31, 2006:

- Only construction/construction-related contracts are covered along with a run-off of existing maintenance and service contracts. The Authority considers elevator/escalator, HVAC, and electrical contracts to be construction-related. Some third party, construction related consultants are also considered for CIP. Special Authority related construction projects could also be considered for CIP.

- The current General Liability limit is $25 million each occurrence and is primarily placed with Lloyd's of London. Completed Operations coverage is included for three (3) years from the date of the termination of each Authority contract.
- All-Risk Builders Risk with a limit of $50 million per occurrence with a $10 million sub-limit for property off premises (at Authority option) and/or in-transit and is primarily placed with AIG. No coverage is provided for contractors' equipment. Builders Risk coverage remains in place until the property is put to its intended use.
- Workers' Compensation with Employer's Liability coverage (minimum of $1 million in New Jersey), including United States Longshore and Harbor Workers' Act, Federal Employers Liability Act, Merchant Marine Act (Jones Act), and Other States coverages and is primarily placed with AIG. Waiver of all liens in favor of the Authority and its wholly owned corporate entities. .
- All lines include coverage for terrorism.
- Non- Owned watercraft under 26 feet in length.
- Coverage for explosion, collapse, and underground property damage
- Excess Automobile Liability (over valid and collectible underlying) for Authority and its wholly owned corporate entities' interests.
- Contractors solely engaged in the delivery of materials and supplies are not covered under the program.
- Coverage applies to the Port District and is extended, with underwriter's approval, to workers temporarily off-facility site performing duties specific to the Authority contract.
- The Authority as owner and/or all contractors and/or all subcontractors, consultants, subconsultants, and program managers are Assureds under the Liability Insurance Policy, and, under the Builders Risk Insurance, the Authority, and its wholly owned corporate entities are named insureds and contractors and all subcontractors, property owners are additional insureds as their interests may appear.
- The insurance policy(ies) must contain the following endorsement for the above coverages:

  "The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority , the immunity of the Port Authority , its Commissioners, officers, agents or employees, the governmental nature of the Port Authority , or the provisions of any statues respecting suits against the Port Authority."
- The Authority, through its Engineering Department, makes the final determination to accept or reject contractor/subcontractor for the project. The individual

contractor's experience modification is taken into consideration during this review process.

- No coverage is provided for Railroad Protective Liability nor for "pollution" ("absolute" pollution exclusion).
- Asbestos removal contractors are not provided with Workers' Compensation coverage.
- Lead abatement contractors are provided with Workers' Compensation
- Hazardous Waste and Dredging contractors are not included in the CIP.
- All World Trade Center contracts that are funded by the federal government, including but not limited to the World Trade Center Transportation Hub Project, are not a part of this CIP brokerage service.
- Since its inception, the premium base for the Program has been a rate(s) applied per $100 of payments to contractors.

B. LOSS CONTROL

Program loss histories are provided in Appendix D. This includes General Liability, Workers' Compensation and Builders Risk loss information.

The Authority takes an active role in efforts to control loss costs. In this regard, the Authority is highly involved in litigation management over its CIP claims and intends to maintain its current level of participation and oversight in the claims process. In keeping with its involvement in the claims management process, the Authority reserves the right to select legal counsel for the CIP program from a list of panel counsel of the lead carrier and to amend such selection at any time during the pendency of the program. In addition, a Claims Review Committee (CRC) has been established that is comprised of members of the Authority staff, the brokerage firm's staff, defense counsel, claims investigator, and underwriters from the lead carrier. The objective of this committee is to chart a course of action with respect to major claims and develop protocols for the resolution of less serious actions. In recognition of the CRC activities, the insurers underwriting the Authority CIP coverage have granted certain settlement authorities, including but not limited to accommodations and lien waivers to the CRC that historically have been reserved only to the insurers.

V. A. MINIMUM QUALIFICATIONS REQUIREMENTS

The Authority will consider only those brokerage firms who are able to meet and document each of the following minimum qualifications in the order listed below:

1. The brokerage firm must have been in business for at least ten (10) years. A copy of the certificate of incorporation or an approved equivalent must be furnished.
2. The brokerage must possess either a resident or non-resident license in both the states of New York and New Jersey. In addition, the broker must have a surplus lines license in either state. A copy of each license must be attached to the proposal.
3. The brokerage firm shall have successfully handled or is currently under contract to handle within the past three (3) years at least three (3) clients with an owner-controlled insurance program with a premium of not less than ten million dollars ($10 million). Please include the following information in a written statement:
   - name and address of client
   - reference contact, title and telephone number
   - industry sector and types of exposure
   - period of time services are/were provided
   - annual premium
4. The brokerage firm must currently carry and provide evidence of "errors and omissions" liability insurance with a minimum limit of ten million dollars ($10 million) per occurrence.
5. The brokerage firm must maintain an office within 25 miles of the New York metropolitan area. Please identify the office address.
6. The brokerage firm must currently possess access to insurers in all domestic and international (including Bermuda, London and continental European) insurance markets. Describe in a written statement such access and whether such access is through other offices of your company, correspondent brokers, or other methods.

All Proposers MUST supply documentation of the above items with its proposal submission.

In the event a Proposal is submitted by a joint venture, the foregoing minimum qualifications will be considered satisfied if the joint venture itself, or any of its participants individually, can meet the requirements.

If a joint venture or a common law joint venture submits a proposal, all participants in the joint venture shall be bound jointly and severally and each such participant of the venture shall execute the proposal and be bound to do each act required hereunder. On the contract signature sheet (see attached standard agreement) and wherever else the Proposer's name would appear, the name of the joint venture and the names of all participantsshall be listed followed by the words "acting jointly and severally."

V. B. SUBMISSION INSTRUCTIONS

- The Proposer shall submit one (1) clearly marked original reproducible proposal, one (1) copy on a compact disc, and ten (10) separately bound and indexed copies with pages consecutively numbered.
- The written proposal shall be limited to no more than 100 pages in length.
- In order to expedite the evaluation of the information furnished, responses must follow the format and numbering as set forth in Specific Proposal Responses, Section VI, and Minimum Qualification Requirements, Section V.A. above.
- Product brochures and other sales literature will not be accepted as substitutes for written responses to this RFP.
- Detailed product documentation, such as user and technical manuals, shall not be submitted in connection with this RFP.
- Proposals must be signed by an officer or principal of the brokerage firm and include the name, title, address and telephone number of each individual authorized to represent the company with respect to this RFP process.
- In order to comply with Authority policy, you must include as part of your proposal the Agreement on Terms of Discussion (Appendix E) signed by an officer or principal of your firm.

Proposals must be received by the Procurement Department **no later than 2:00 p.m.** (EST) on February 13, 2006. The proposals should be enclosed in a plain envelope securely sealed and must be marked with "Your Firm Name" and "**RFP 9128** - Expert Professional Brokerage Firm Services For Contractors Insurance Program". Please forward ten (10) copies of the proposal, one (1) compact disc, and one (1) reproducible original, to:

The Port Authority of New York & New Jersey
One Madison Avenue, 7th Floor
New York, New York 10010
Attn: RFP Custodian

If your proposal is to be delivered by messenger, please note that only individuals with proper identification (e.g., photo identification) will be permitted access to the Authority's offices. Ample time must be given to allow entry past the security desk.

VI. SPECIFIC PROPOSAL RESPONSES

In addition to the goals and objectives of the proposed program as required by Section II, the Authority requests at a minimum, that the following insurance and claims issues, costs, strategies, services and qualifications be addressed in your proposal in the same numbered order as shown:

A. BROKERAGE FIRM DISCLOSURES

1. Provide a written statement signed by an authorized representative that the Proposer is not engaged in any illegal activities. In addition, describe the nature of any investigation by or litigation with any governmental or regulatory entity.
2. Provide information on the proposer's contingent commission arrangements, if any, with insurers and describe your plans to eliminate them, if any.
3. Indicate any insurance related entity(ies) in which the proposer has, or expects to retain, any financial and/or legal interest.
4. Provide a copy of the proposer's ethics policy. Describe what processes and procedures are in place to ensure that transactions are completed in a legal and ethical manner, including what measures are taken when improper business practices are identified.
5. Provide a written statement signed by an authorized representative, that discloses any known or potential conflicts of interest that could arise in connection with the proposer's duties on this account.

As a separate item, provide resumes of key staff that will administer the CIP account with your submission.

B. BROKERAGE FIRM SERVICES AND REQUIREMENTS

The demands of CIP require an ongoing, dynamic relationship among the Authority, brokerage firm, and insurer(s). The brokerage firm, especially, must play a proactive role in nearly every phase of the program, including but not limited to marketing, CIP administrative services, loss prevention/control, claims management, and statistical information and reporting system. It should be anticipated that fulfilling these needs will require the utilization of full-time dedicated staff, and proposers must describe both the number of staff and their expected functions in fulfilling the following minimum (B.1. – B.12.) service requirements:

1. Assist the Authority in preparation of contractual insurance requirements, and assist contractors and their subconsultants in complying with insurance requirements, including but not limited to providing a guide for contractors.
2. Enrollment Administration – Certificate and Policy Issuance.
3. The Process Of Port Authority and Carrier Interface with the broker and Statistical Processing.
4. Data System Tracking of Contract Progress and Payments including but not limited to claims, coverage and payroll, from Pre-Award to Conclusion.
5. Loss Control Services, including but not limited to: Monitoring, Training, Field Inspections, Carrier Coordination.
6. Processing and Coverage Verification of All Notices of Loss.
7. Claim Management and Tracking, including Action Plan Development.

8. Case Reserve Review and Verification – Investigation Assignment.
9. Litigation Management and Alternative Dispute Resolution (ADR) Coordination.
10. Settlement Recommendations and Authorization.
11. Actuarial Analysis of Program Results and Statistical Reports.
12. Management and Finalization of All Current CIP Contracts and All Existing Claim Run-offs, including but not limited to claims resolutions from insolvent carriers with arrangements for Authority review.
13. For the primary account executive and service team to be assigned to the Authority's account, please indicate the following:
    a. Number of clients
    b. Industries represented by other clients
    c. Length of time with brokerage firm
    d. Length of career in insurance or risk management
    e. Number of person-days per year expected to be spent on the Authority account
    f. Estimate of percentage of time commitment given to each client
    g. Experience with liability exposures similar to the Authority
    h. Related premium volume for each similar client
    i. References and contact for each similar client
14. Explain the quality control program of your brokerage firm.
15. Explain the frequency, format and goals of meetings envisioned with the Authority.
16. Explain methods employed to assure accurate and timely receipt of policies, endorsements, renewals and billings.
17. Describe how you would involve the Authority staff in the marketing of the CIP(s).
18. List any major CIP account handled by your office, with risks comparable to or greater than the Authority's exposures. Explain how the experience of marketing each of those programs would benefit in the marketing of the Authority program.
19. Attach a sample form of brokerage agreement with sample compensation arrangements for Authority review.
20. Describe the precise manner in which you will assist the Authority in identifying risks arising from construction operations.
21. What is the proposed frequency of claims review with Authority staff?
22. How do you envision your role in dealing with primary/excess insurers regarding claims?

23. What type of claims reporting and handling procedures would you establish?

C. MARKET STRATEGY

The Authority is also interested in your insurance market strategy to be employed. Alternative program suggestions/structures may be proposed in addition to previously mentioned, but each alternative must be accompanied by a cost-benefit analysis of the structure in narrative.

The brokerage firm shall present its views on:

1. the most difficult insurance market issues faced by the Authority;
2. the proposed strategy for overcoming the marketing difficulties;
3. areas where the Authority underwriting information might be usefully expanded;
4. the state and dynamics of the insurance market as it pertains to Authority's market entry and terms; and
5. the appropriate limits and retentions to be carried, with reasons supporting the recommendations;
6. what coverage changes or new coverage do you feel would enhance the program? Are such changes included in your proposal?

D. COMPENSATION

Address the items below in the order listed and complete Appendix G (Pricing Sheet):

1. Indicate all fees, commissions, or other revenues to be earned on the Authority account to be paid by the Authority or other parties.
2. With respect to the broker's fee payable by the Authority, supply an estimate of hours and fees, by person, including a matrix showing:
   - each job category
   - cost per hour
   - expected number of days a year servicing the account
   - total fees expected per year
3. Would your firm be willing to have the Authority remit premiums directly to the insurance company and the fees directly to you?
4. Is your firm capable of and willing to provide the Authority with a monthly accounting of the staff time spent on the account?
5. Please provide a recent sample stewardship report.
6. The Authority is also interested in determining an estimate of premium cost. Estimations of premium cost should be provided on a "net" basis (without commission) as follows:
   a. the most likely cost (i.e. that will most likely be realized);
   b. the most optimistic (lowest) cost (i.e. the brokerage firm's target); and

c. the worst-case cost (i.e. the cost level which foreseeably would not be exceeded).

NOTE: It is expected that the brokerage firm will be able to secure the proposed program for the cost estimates provided. Failure to achieve the costs estimated may lead to designation of another brokerage firm or a fee reduction in the same proportion as the cost increase bears to the estimates provided.

VII. PROPOSAL FORMAT

All proposals shall be in "loose-leaf" form, with pages numbered and sections "tabbed" for ease of reference.

Following is the proposal format recommended by the Authority:

Section 1. Minimum Qualification Requirements

Section 2. Executive Summary

Section 3. Program design, structure, limits, coverage

Section 4. All information requested under the heading Proposal Response (Section VI. in order listed)

Section 5. Brokerage firm commentary (additional comments the brokerage firm would like to make)

Section 6. Agreement on Terms of Discussion

Section 7. Information with regard to Integrity Certifications – Indicate any reason your firm could not satisfy the certifications or any exception(s) to the terms and conditions of the standard agreement.

Section 8. Appendix (for supporting information)

VIII. SELECTION CRITERIA

The selection criteria, listed in order of importance, are:

A. Qualifications and experience of the proposed staff that would actively be working day-to-day on this account.

B. Work Approach, which shall include the availability of the firm's organizational resources and the capabilities of the firm's other available staff to augment staff to be dedicated to this assignment.

C. Qualifications and experience of the firm, demonstrating knowledge and understanding of issues related to the Authority's insurance and risk financing needs.

Cost will be evaluated on a "Best Buy" basis.

The Authority may request oral presentations, which may be recorded. The Authority reserves the unqualified right, in its sole and absolute discretion, to reject all proposals, to undertake discussions and modifications with one or more proposers and to proceed with that proposal or modified proposal, if any, which in its judgment will, under all the circumstances, best serve the public interest, and to waive defects in proposals. You will not be entitled to compensation for preparation of your proposal or oral presentations and you will not be entitled to any compensation except under an agreement for performance of service signed on behalf of the Authority.

If the Authority chooses to require oral presentations, it is anticipated that such presentations will take place at the Authority offices at 225 Park Avenue South, New York, New York.

IX. GENERAL PROVISIONS

Any questions regarding this RFP must be presented, in writing, on or before January 20, 2006 to Ms. Mary Lou Rivera, Contract Administrator, Professional, Technical & Advisory Services, Procurement Department, by fax to (212) 435-3992 or via email at mlrivera@panynj.gov. Any changes to this RFP, or interpretations thereof, will be made only by written addendum under the signature of the Manager, Professional, Technical & Advisory Services and will be sent to all prospective brokerage firms. No other person is authorized to make interpretations of this RFP or to suggest any course of action or manner of response other than the Manager, Professional, Technical & Advisory Services.

No proposer shall have any rights against the Authority, until the parties execute a duly authorized agreement.

The Authority does not assume any liability for any pre-contract activity and/or costs incurred by proposers for this RFP.

Information submitted to the Authority orally or in writing in response to this RFP or thereafter shall not be considered as given in confidence and shall be the property of the Authority and may be used or disclosed by the Authority at any time without compensation or other obligation.

The Authority may consult references familiar with your organization regarding your prior projects, financial resources, etc.

The Authority does not guarantee the accuracy of the information furnished in the Appendices. Proposers are responsible for all conclusions that they may draw therefrom.

Attached is a Standard Agreement that includes the Authority's integrity and other standard clauses (Appendix F) that will form the basis for the final contract. The Proposer is expected to agree with the form of contract and its terms and conditions. You shall therefore not make any changes in the Standard Agreement nor restate any of its provisions in your Proposal or supporting material. 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. The Authority is under no obligation to entertain or accept any

such specific exceptions. Exceptions raised at a time subsequent to proposal submission will not be accepted.

As part of your proposal, indicate if you could not make any of the certifications contained therein, and the reasons why you cannot make such certifications. This will represent Section 7 of your proposal response. (See Proposal Format, Page 13, Section VII.).

THE PORT AUTHORITY OF NY & NJ

Andrea Roitman
Director, Procurement Department

P.A. Agreement #TRS-06-004
October 11, 2006

Aon Risk Services
55 East 52nd Street
New York, NY 10055

CONFORMED

Attention: Thomas V. Morris
Managing Director & Executive Vice President

SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR OWNER CONTROLLED ENVIRONMENTAL INSURANCE PROGRAM

Dear Mr. Morris:

1. The Port Authority of New York and New Jersey (hereinafter referred to as the "Authority") hereby offers to retain Aon Risk Services (hereinafter referred to as "the Consultant" or "you") to provide expert professional services as more fully set forth in Attachment A, which is attached hereto and made a part hereof.

This agreement will be signed by you and the Director of the Procurement Department. As used herein and hereafter, the "Director" means the Treasurer of the Port Authority, acting either personally or through her duly authorized representatives acting within the scope of the particular authority vested in them unless specifically stated to mean acting personally.

For the purpose of administering this Agreement, the Director has designated Ms. Veronica Biddle, General Manager, Risk Management/Treasury, to act as her duly authorized representative. The Project Manager for this project is Mahveen Mohiuddin, at (212) 435-5860 or via e-mail at mmohiudd@panynj.gov.

2. Your services hereunder shall include, but not be limited to, those specified in Attachment A.

3. Your services shall be performed as expeditiously as possible and at the time or times required by the Director, and shall, in any case, be completed in accordance with the schedule specified in Attachment A. Time is of the essence in the performance of all your services under this Agreement.

4. The Consultant shall meet and consult with Authority staff as requested by the Director in connection with the services to be performed herein.

5. You shall not continue to render services under this Agreement after the point at which the total amount to be paid to you hereunder including reimbursable expenses reaches the amount of $435,000 per year, unless you are specifically authorized in writing to so continue by the Treasurer. If no such authorization is issued this Agreement shall be terminated without further obligation by either of the parties as to services not yet performed, but you shall be compensated as hereinafter provided for services already completed. It is understood however, that this limitation shall not be construed to entitle you to the above amount as a minimum compensation.

One Madison Avenue, 7th Floor
New York, NY 10010
T: 212 435 3981

6. The compensation method for services rendered under this program is commission paid by the selected insurance carrier.

7. You shall keep, and shall cause any subconsultants under this Agreement to keep, daily records of the time spent in the performance of services hereunder by all persons whose salaries or amounts paid thereto will be the basis for compensation under this Agreement as well as records of the amounts of such salaries and amounts actually paid for the performance of such services and records and receipts of reimbursable expenditures hereunder, and, notwithstanding any other provisions of this Agreement, failure to do so shall be a conclusive waiver of any right to compensation for such services or expenses as are otherwise compensable hereunder. The Authority shall have the right to audit all such records. The Authority shall have the right to inspect your records, and those of your subconsultants, pertaining to any compensation to be paid hereunder, such records to be maintained by you and your subconsultants for a period of three (3) years after completion of services to be performed under this Agreement.

8. The Authority may at any time for cause terminate this Agreement as to any services not yet rendered, and may terminate this Agreement without cause upon three (3) days notice to you. You shall have no right of termination as to any services under this Agreement without just cause. Termination by either party shall be by certified letter addressed to the other at its address hereinbefore set forth. Should this Agreement be terminated by either party as above provided, you shall receive no compensation for any services not yet performed, but if termination is without fault on your part, the Authority shall pay you as the full compensation to which you shall be entitled in connection with this Agreement, but in no event shall the amounts to be paid to the Consultant under said paragraph exceed the amount provided for in Paragraph 6.

9. Without the express written approval of the Director, you shall keep confidential, and shall require your subconsultants and your employees to keep confidential a) all information disclosed by the Port Authority or its consultants to you or b) developed by you or your subconsultants in the performance of services hereunder. Disclosure of any such information shall constitute a material breach of the Agreement.

10. You shall not issue or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Authority or the services performed in connection with this Agreement, unless you first obtain the written approval of the Director. Such approval may be withheld if for any reason the Director believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

11. Under no circumstances shall you or your subconsultants communicate in any way with any contractor, department, board, agency, commission or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Director, provided, however that data from manufacturers and suppliers of material shall be obtained by you when you find such data necessary unless otherwise instructed by the Director.

12. Any services performed for the benefit of the Authority at any time by you or on your behalf, even though in addition to those described herein, even if expressly and duly authorized by the Authority, shall be deemed to be rendered under and subject to this Agreement (unless referable to another express written, duly executed agreement by the same parties), whether such

additional services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services.

13. No certificate, payment (final or otherwise), acceptance of any work nor any other act or omission of the Authority or the Director shall operate to release you from any obligations under or upon this Agreement, or to estop the Authority from showing at any time that such certificate, payment, acceptance, act or omission was incorrect or to preclude the Authority from recovering any money paid in excess of that lawfully due, whether under mistake of law or fact or to prevent the recovery of any damages sustained by the Authority.

14. All estimates, reports, records, data, charts, documents, models, designs, renderings, drawings, specifications, photographs, computations, computer tapes or discs, and other papers of any type whatsoever, whether in the form of writing, figures or delineations, which are prepared or compiled in connection with this Agreement, shall become the property of the Authority, and the Authority 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. The Consultant hereby warrants and represents that the Authority will have at all times the ownership and rights provided for in the immediately preceding sentence free and clear of all claims of third persons whether presently existing or arising in the future and whether presently known to either of the parties of this Agreement or not. This Agreement shall not be construed, however, to require the Consultant to obtain for the Authority the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless such patent be owned by the Consultant or one of his employees, or his subconsultant or the subconsultant's employees, in which case such right shall be obtained without additional compensation. It is agreed that all information of any nature whatsoever which is in any way connected with the services performed in connection with this Agreement, regardless of the form of communication, which has been or may be given by you or on your behalf, whether prior or subsequent to the execution of this Agreement, to the Authority, its Commissioners, officers, agents or employees, is not given in confidence and may be used or disclosed by or on behalf of the Authority without liability of any kind, except as may arise under valid existing or pending patents, if any.

15. If research or development is furnished in connection with the performance of this Agreement and if in the course of such research or development patentable subject matter is produced by the Consultant, his officers, agents, employees, or subconsultants, the Authority shall have, without cost or expense to it, an irrevocable, non-exclusive royalty-free license to make, have made, and use, either itself or by anyone on its behalf, such subject matter in connection with any activity now or hereafter engaged in or permitted by the Authority. Promptly upon request by the Authority, the Consultant shall furnish or obtain from the appropriate person a form of license satisfactory to the Authority, but it is expressly understood and agreed that, as between the Authority and the Consultant the license herein provided for shall nevertheless arise for the benefit of the Authority immediately upon the production of said subject matter, and shall not await formal exemplification in a written license agreement as provided for above. Such license agreement may be transferred by the Authority to its successors, immediate or otherwise, in the operation or ownership of any real or personal

property now or hereafter owned or operated by the Authority but such license shall not be otherwise transferable.

16. You shall promptly and fully inform the Director, in writing, of any patents or patent disputes, whether existing or potential, of which you have knowledge, relating to any idea, design, method, material, equipment or other matter related to the subject matter of this Agreement or coming to your attention in connection with this Agreement.

17. This Agreement being based upon your special qualifications for the services herein contemplated, any assignment, subletting or other transfer of this Agreement or any part hereof or of any monies due or to become due hereunder without the express consent in writing of the Authority shall be void and of no effect as to the Authority, provided, however, that you may sublet services to subconsultants with the express consent in writing of the Director. All persons to whom you sublet services, however, shall be deemed to be your agents and no subletting or approval thereof shall be deemed to release you from your obligations under this Agreement or to impose any obligation on the Authority to such subconsultant or give the subconsultant any rights against the Authority.

18. The Authority has a long-standing practice of encouraging Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) to seek business opportunities with it, either directly or as subconsultants or subcontractors. "Minority-owned business" or "MBE" means a business entity which is least 51 percent owned by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51 percent of the stock of which is owned by one or more members of 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. "Women-owned business" or "WBE" means a business which is least 51 percent owned by one or more women, or, in the case of a publicly held corporation, 51 percent 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 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 Puerto Rican, Mexican, 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. American Indian 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.

The Director has set a goal of 12 percent participation by qualified and certified MBEs and 5 percent by qualified and certified WBEs on consultant projects.

To be "certified" a firm must be certified by the Authority's Office of Business and Job Opportunity.

In order to facilitate the meeting of this goal the Consultant shall use every good faith effort to utilize subconsultants who are certified MBEs or WBEs to the maximum extent feasible.

The Authority has a list of certified MBE/WBE firms, which is available to you at your request. The Authority however makes no representation as to their financial or technical capabilities. The Consultant will be required to submit to the Authority's Office of Business and Job Opportunity for certification the names of MBE/WBE firms he proposes to use who are not on the list of certified MBE/WBE firms.

19. NOTIFICATION OF SECURITY REQUIREMENTS

The Port Authority of New York & New Jersey has facilities, systems, and projects where terrorism or other criminal acts may have a significant impact on life safety and key infrastructures. The Authority reserves the right to impose multiple layers of security requirements on the Consultant, its staff and subconsultants and their staffs depending upon the level of security required, as determined by the Authority. These security requirements may include but are not limited to the following:

- Consultant/subconsultant identity checks and background screening, including but not limited to: 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; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; multi-year check of personal, employment and/or credit history; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like;
- Issuance of Photo Identification cards;
- Access control, inspection, and monitoring by security guards.

The Consultant may be required to have its staff, and any subconsultant's staff, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority.

The Authority may impose, increase, and/or upgrade security requirements for the Consultant and its staff and subconsultants during the term of this agreement to address changing security conditions and/or new governmental regulations.

Compensation for compliance with security requirements not anticipated, as part of the original scope of services shall be subject to the terms of the Agreement relating to compensation as determined by the Authority.

20. With regard to work performed on Authority premises, the Consultant will indemnify and hold harmless the Port Authority against claims, loss and damage, for bodily injury, death or damage to personal property arising out of the Consultant's negligence.

21. CERTIFICATION OF NO INVESTIGATION (CRIMINAL OR CIVIL ANTI-TRUST), INDICTMENT, CONVICTION, DEBARMENT, SUSPENSION, DISQUALIFICATION AND DISCLOSURE OF OTHER INFORMATION

By signing this Agreement, the Consultant and each person signing on behalf of the Consultant certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, that the Consultant and each parent and/or affiliate of the Consultant has not:

A. been indicted or convicted in any jurisdiction;

B. been suspended, debarred, found not responsible or otherwise disqualified from entering into any agreement with any governmental agency or been denied a government agreement for failure to meet standards related to the integrity of the Consultant;

C. had an agreement terminated by any governmental agency for breach of agreement 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 Proposal;

E. had any business or professional license suspended or revoked or, within the five years prior to proposal 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, proposal 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.

22. NON-COLLUSIVE PROPOSING, AND CODE OF ETHICS CERTIFICATION, CERTIFICATION OF NO SOLICITATION BASED ON COMMISSION, PERCENTAGE, BROKERAGE, CONTINGENT OR OTHER FEES

By proposing on this Agreement, each Consultant and each person signing on behalf of any Consultant certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that:

A. the prices in its proposal 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 consultant or with any competitor;

B. the prices quoted in its proposal have not been and will not be knowingly disclosed directly or indirectly by the Consultant prior to the official opening of such proposal to any other consultant or to any competitor;

C. no attempt has been made and none will be made by the Consultant to induce any other person, partnership or corporation to submit or not to submit a proposal 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 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 "Consultant's Questions"), nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority 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 Consultant for the purpose of securing business, has been employed or retained by the Consultant to solicit or secure this Agreement on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency; and

F. the Consultant 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 Agreement.

The foregoing certifications, shall be deemed to be made by the Consultant as follows:

* if the Consultant is a corporation, such certification shall be deemed to have been made not only with respect to the Consultant itself, but also with respect to each parent, affiliate, director, and officer of the Consultant, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Consultant with an ownership interest in excess of 10%;

* if the Consultant is a partnership, such certification shall be deemed to have been made not only with respect to the Consultant itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Consultant, shall be deemed to have been authorized by the Board of Directors of the Consultant, and such authorization shall be deemed to include the signing and submission of the proposal and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Consultant cannot make the foregoing certifications, the Consultant shall so state and shall furnish with the signed proposal a signed statement which sets forth in detail the reasons therefor. If the Consultant is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its proposal, setting forth in such statement the reasons for its uncertainty.

Notwithstanding that the Consultant may be able to make the foregoing certifications at the time the proposal is submitted, the Consultant shall immediately notify the Authority in writing during the period of irrevocability of proposals on this Agreement or any extension of such period 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 Consultant with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in

awarding this Agreement. In the event that the Authority should determine at any time prior or subsequent to the award of this Agreement that the Consultant 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, the Authority may determine that the Consultant is not a responsible Consultant with respect to its proposal on the Agreement or with respect to future proposals on Authority agreements and may exercise such other remedies as are provided to it by the Agreement with respect to these matters. In addition, Consultants 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.). Consultants are also advised that the inability to make such certification will not in and of itself disqualify a Consultant, and that in each instance the Authority will evaluate the reasons therefor provided by the Consultant. Under certain circumstances the Consultant may be required as a condition of this Agreement 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 the Port Authority. Said Monitor shall be charged with, among other things, auditing the actions of the Consultant to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

23. CONSULTANT ELIGIBILITY FOR AWARD OF AGREEMENTS – DETERMINATION BY AN AGENCY OF THE STATE OF NEW YORK OR NEW JERSEY CONCERNING ELIGIBILITY TO RECEIVE PUBLIC AGREEMENTS

Consultants are advised that the Authority has adopted a policy to the effect that in awarding its agreements it will honor any determination by an agency of the State of New York or New Jersey that a consultant is not eligible to propose on or be awarded public agreements because the consultant has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a consultant whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a proposal on a Port Authority agreement and then to establish that it is eligible to be awarded an agreement on which it has submitted a proposal because (i) the state agency determination relied upon does not apply to the consultant, or (ii) the state agency determination relied upon was made without affording the consultant the notice and hearing to which the consultant was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state agency 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 the Authority's Board of Commissioners meeting of September 9, 1993.

24. NO GIFTS, GRATUITIES, OFFERS OF EMPLOYMENT, ETC.

During the term of this Agreement, the Consultant shall not offer, give or agree to give anything of value either to a Port Authority 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 of duties involving transactions with the Consultant on behalf of the Port Authority, whether or not such duties are related to this Agreement or any other Port Authority agreement or matter. Any such conduct shall be deemed a material breach of this Agreement.

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 Agreement or any other Port Authority agreement), etc. which might tend to obligate the Port Authority employee to the Consultant, 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 Agreement or any other Port Authority agreement. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Consultant 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 agreement, the Consultant 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 Consultant shall include the provisions of this clause in each subagreement entered into under this Agreement.

25. CONFLICT OF INTEREST

During the term of this agreement, the Consultant shall not participate in any way in the preparation, negotiation or award of any agreement (other than an agreement for its own services to the Authority) to which it is contemplated the Port Authority may become a party, or participate in any way in the review or resolution of a claim in connection with such an agreement if the Consultant has a substantial financial interest in a contractor or potential contractor of the Port Authority or if the Consultant has an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall the Consultant 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 Consultant has reason to believe such an arrangement may be the subject of future discussion, or if the Consultant has any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and the Consultant's participation in the preparation, negotiation or award of any agreement with such a contractor or the review or resolution of a claim in connection with such an agreement is contemplated or if the Consultant has reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest, the Consultant shall immediately inform the Director in writing of such

situation giving the full details thereof. Unless the Consultant receives the specific written approval of the Director, the Consultant 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 shall determine that the performance by the Consultant of a portion of its services under this Agreement is precluded by the provisions of this numbered paragraph, or a portion of the Consultant's said services is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf on both parties to order that such portion of the Consultant's services not be performed by the Consultant, 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 Consultant's execution of this document shall constitute a representation by the Consultant that at the time of such execution the Consultant 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 Consultant's part. The Consultant acknowledges that the Authority 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 agreements which result, directly or indirectly, from the services provided by the Consultant hereunder.

26. DEFINITIONS

As used in section 21 through 25 above, 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 consultant by whatever titles known.

Parent - An individual, partnership, joint venture, or corporation which owns more than 50% of the voting stock of the consultant.

27. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York.

28. The entire agreement between the parties is contained herein and no change in or modification, termination or discharge of this Agreement in any form whatsoever shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith, or his duly authorized representative, provided, however, that termination in the manner hereinbefore expressly provided shall be effective as so provided.

29. No Commissioner, officer, agent or employee of the Authority shall be charged personally by you with any liability or held liable to you under any term or provision of this Agreement, or because of its execution or attempted execution or because of any breach hereof.

30. If the foregoing meets with your approval, please indicate your acceptance by signing the original and the additional enclosed copy in the lower left-hand corner and returning them to the Authority.

Very truly yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

By: _____
Andrea Roitman
For Director
Procurement

Date: 11/3/06

ACCEPTED:
Aon Risk Services

By: _____

Title: MANAGING DIRECTOR

Date: 10/31/06

ATTACHMENT A

PERFORMANCE OF EXPERT PROFESSIONAL BROKERAGE FIRM SERVICES FOR OWNER CONTROLLED ENVIRONMENTAL INSURANCE PROGRAM

I. BACKGROUND

The Owner Controlled Environmental Insurance Program ("OCEIP" or the "program") provides the Authority with a comprehensive policy form providing Contractor's Operations and Professional Services Environmental Insurance for scheduled Corps and Port Authority dredging contracts, in a coverage limit of $20 million per contract, and a $150 million total policy aggregate, and Pollution Legal Liability Insurance in a limit of $20 million for each incident and a $40 million policy limit.

A detailed program overview can be found, in Attachment C included herewith, and made a part hereof.

II. SCOPE OF SERVICES

The brokerage firm shall assist in the filing of claims as requested by the Authority and shall assist in an annual audit of the larger claims with the insurer or the insurer's attorney.

III. DESCRIPTION OF BROKERAGE FIRM TASKS

The brokerage firm's tasks shall generally consist of, but not be limited to, the following:

1. Provide comments on the existing program and an overview of a proposed approach to marketing and placing the program. As part of the overview, advise the Authority on the availability and appropriateness of insurance products to respond to changing exposures.
2. Provide the design and marketing for the OCEIP
3. Assist the Authority in the assessment and evaluation of the environmental and pollution risks that can arise from dredging and other related operations.
4. Verify Authority requested policies, endorsements, and billings.
5. Allocate and direct bill premiums and premium adjustments to the Authority and its subsidiaries, as directed by the Authority.
6. Monitor all insurance company services, including claim services.
7. Monitor current policy insurers' financial security and act as liaison, as appropriate.
8. Prepare required insurance certificates as directed by the Authority.
9. Prepare insurance data for audits (all information for audits will be provided by the Authority).
10. Prepare a summary overview of the insurance policy (ies).
11. Create and maintain an annual service-planning calendar.

12. Provide scheduled, periodic review of service status and records with the Authority's General Manager, Risk Management, Treasury Department, on a quarterly basis.
13. Prepare a draft annual stewardship report. Submit to the Authority for review. Incorporate comments as appropriate and resubmit as final.
14. Actively participate in the settlement of large claims.
15. Resolve coverage questions/disputes in a timely and amicable fashion.
16. Provide a review of specific claims and reserves at the request of the Authority.
17. Provide periodic status reports on claims reported to the insurers with appropriate action recommendations.
18. Provide annual industry specific insurance market updates, including:
    a. Summary of the insurance market attitude or concerns towards the environmental insurance industry.
    b. Identification of new markets, recent losses, staffing changes and treaty renewal information, as available.
    c. Discussion of changes in insurers coverage form, limit capacity and philosophies (as applicable).

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