

A Public Records Access request has been submitted.

Request By: peter soriero

Signature: peter soriero

Request date: 06/27/2016

Address:

[REDACTED]

Email:

[REDACTED]

Phone number:

[REDACTED]

Personal
Information
Request:

NO

Records seeking: Please provide a copy of the current in force contract with the vendor that provides workers' compensation claims administration services to the Port Authority.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY PRA #1/115
PUBLIC RECORD ACCESS FORM

Action by (print / type name):

William Shalewitz, Freedom of Information Administrator

Signature:

William Shalewitz

Date:

08/01/2016

On behalf of the Secretary of the Port Authority, as Records Access Officer and Custodian of Government Records of the Port Authority.

- The requested records are being made available.
- Any responsive records that may exist are currently in storage or archived, and a diligent search is being conducted. The Port Authority will respond by:
- A diligent search has been conducted, and no records responsive to your request have been located.
- The requested records that have been located are not being made available, as they are exempt from disclosure for the following specific reasons:

- Some requested records that have been located are being made available. The remainder are exempt from disclosure for the following specific reasons:

- The request does not reasonably describe or identify specific records; therefore, the Port Authority is unable to search for and locate responsive records. Please consider submitting a new request that describes or identifies the specific records requested with particularity and detail.

- Other:

Material responsive to your request can be found on the Port Authority's website at <http://corpinfo.panynj.gov/documents/17115-C-1/>

This form is promulgated by the Port Authority pursuant to the Port Authority Public Records Access Policy and is intended to be construed consistent with the New York Freedom of Information Law and the New Jersey Open Public Records Act. It is intended to facilitate requests for Port Authority public records and does not constitute legal advice.

THE PORT AUTHORITY OF NY & NJ

P.A. Agreement #TRS-13-002
September 3, 2013

Lillian D. Valenti
Director, Procurement

The Risk Management Planning Group, Inc.
211 Station Road, Suite 700
Mineola, NY 11501

CONFORMED

Attention: Arthur J. Dunne, Jr., President & CEO

SUBJECT: PERFORMANCE OF PROFESSIONAL CLAIMS ADMINISTRATION SERVICES FOR THE PORT AUTHORITY OF NY AND NJ SELF-INSURED WORKERS' COMPENSATION PROGRAM DURING 2013-2016

Dear Mr. Dunne:

1. The Port Authority of New York and New Jersey (hereinafter, the "Authority") hereby offers to retain The Risk Management Planning Group, Inc. (hereinafter, "the Consultant" or "you") effective July 1, 2013 to provide expert professional services as more fully set forth in Attachment A, which is attached hereto and made a part hereof.

2. This Agreement shall be signed by you and the Authority's Director of Procurement. As used herein and hereafter, the "Director" means the Authority's Chief Financial Officer, acting either personally or through her duly authorized representatives acting within the scope of the particular authority vested in her unless specifically stated to mean acting personally.

The Project Manager for this project is Regina Lamptey, at (212) 435-5853, or e-mail address rlamptey@panynj.gov.

3. Your services shall be performed as expeditiously as possible and at the time or times required by the Director. Time is of the essence in the performance of all your services under this Agreement.

4. In order to effectuate the policy of the Authority, the services provided by the Consultant shall comply with all provisions of federal, state, municipal, local and departmental laws, ordinances, rules, regulations, and orders which would affect or control said services as if the services were being performed for a private corporation, unless the Authority standard is more stringent, in which case the Authority standard shall be followed, or unless the Consultant receives a written notification to the contrary signed by the Director personally, in which case the requirements of said notification shall apply.

5. The Consultant shall meet and consult with Authority staff as requested by the Director in connection with the services to be performed herein. All items to be submitted or prepared by

2 Montquary Street, 1st Floor
Jersey City, NJ 07302
T: 201 395 7477

the Consultant hereunder shall be subject to the review of the Director. The Director may disapprove, if in her sole opinion said items are not in accordance with the requirements of this Agreement or professional standards. 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 Director, but the Consultant shall not be compensated under any provision of this Agreement for performance of such revisions. No approval or disapproval or omission to approve or disapprove, however, shall relieve the Consultant of its responsibility under this Agreement to furnish the requested services in accordance with an agreed upon schedule and in accordance with professional standards.

6. As full compensation for all your services and obligations in connection with this Agreement, the Authority will pay you:

A. The following lump sum amounts, paid to you in equal payments on a quarterly basis, for each year of the Agreement:

* Year One - \$775,000 billed quarterly at \$193,750
* Year Two - \$775,000 billed quarterly at \$193,750
* Year Three - \$775,000 billed quarterly at \$193,750

Option years:

* Year Four - \$800,000 billed quarterly at \$200,000
* Year Five - \$800,000 billed quarterly at \$200,000
* Year Six - \$800,000 billed quarterly at \$200,000

B. An amount equal to the amounts actually paid to subconsultants hereunder who have been retained after the Director's written approval of the subconsultant and the compensation to be paid the subconsultant. The Consultant shall submit a copy of the terms and conditions of the subconsultant's compensation as part of any request for approval of the subconsultant.

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 one year after completion of services to be performed under this Agreement.

7. You shall render an invoice for services to the Project Manager thirty (30) days prior to the inception date of each individual quarter of the year under the Agreement 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 will, within fifteen days after receipt of such certification by the Project Manager, pay to you by check the sum certified.

The Consultant shall verify that its employees working under this Agreement (in the United States) are legally present and authorized to work there, as per the federally required I-9 Program. Furthermore, upon request of the Authority, the Consultant shall furnish, or provide access to the Authority, federal Form I-9 (Employment Eligibility Verification) for each

individual hired by the Consultant, performing services hereunder. This includes citizens and noncitizens.

8. The Authority may at any time for cause terminate this Agreement as to any services not yet rendered, and may terminate this Agreement in whole or in part 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 in whole or in part 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 the amounts computed as above set forth for services completed to the satisfaction of the Director through the date of termination, minus all prior payments to you.

9. 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.

10. 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.

11. 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.

12. 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.

13. Originals of estimates, reports, records, data, charts, documents, renderings, computations, computer tapes or disks, 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 Consultant and the Authority the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless owned by the Consultant, or subconsultant, or an employee of either. 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 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.

14. 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.

15. You shall promptly and fully inform the Director in writing of any intellectual property disputes, as well as 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.

16. 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 moneys 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.

17. 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 Authority has set a goal of 12 percent participation by qualified and certified MBEs and 5 percent to qualified and certified WBEs on technical service projects.

To be "certified" a firm must be certified by the Authority's Office of Business Diversity and Civil Rights.

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 <http://www.panynj.gov/business-opportunities/supplier-diversity.html>. The Consultant shall be required to submit to the Authority's Office of Business Diversity and Civil Rights for certification the names of MBE/WBE firms he proposes to use who are not on the list of certified MBE/WBE firms.

18. NOTIFICATION OF SECURITY REQUIREMENTS

The Authority 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;
- Requiring that the Consultant/subconsultant execute a Non-Disclosure and Confidentiality Agreement regarding the disclosure of Confidential Information;
- 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 subconsultants during the term of this Agreement to address changing security conditions and/or new governmental regulations.

19. The Consultant assumes the following distinct and several risks to the extent arising from the negligent or willful intentional acts or omissions of the Consultant or its subconsultants in the performance of services hereunder:

A. The risk of loss or damage to Authority property arising out of or in connection with the performance of services hereunder;

B. The risk of loss or damage to any property of the Consultant or its subconsultants arising out of or in connection with the performance of services hereunder;

C. The risk of claims, arising out of or in connection with the performance of services hereunder, whether made against the Consultant or its subconsultants or the Authority, for loss or damage to any property of the Consultant's agents, employees, subcontractors, sub-consultants, materialmen or others performing services hereunder;

D. The risk of claims, just or unjust, by third persons made against the Consultant or its subconsultants or the Authority on account of injuries (including wrongful death), loss or damage of any kind whatsoever arising in connection with the performance of services hereunder including claims against the Consultant or its subconsultants or the Authority for the payment of workers' compensation, whether such claims are made and whether such injuries, damage and loss are sustained at any time both before and after the completion of services hereunder.

The Consultant shall indemnify the Authority against all claims described in subparagraphs A through D above and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys. If so directed, the Consultant shall defend against any claim described in subparagraphs B, C and D above, in which event the Consultant shall not

without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits against the Authority, such defense to be at the Consultant's cost.

The provisions of this clause shall also be for the benefit of the Commissioners, officers, agents and employees of the Authority, so that they shall have all the rights which they would have under this clause if they were named at each place above at which the Authority is named, including a direct right of action against the Consultant to enforce the foregoing indemnity, except, however, that the Authority may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the completion of services hereunder nor the making of payment (final or otherwise) shall release the Consultant from his obligations under this clause. Moreover, neither the enumeration in this clause or the enumeration elsewhere in this Agreement of particular risks assumed by the Consultant or of particular claims for which he is responsible shall be deemed (a) to limit the effect of the provisions of this clause or of any other clause of this Agreement relating to such risks or claims, (b) to imply that he assumes or is responsible for risks or claims only of the type enumerated in this clause or in any other clause of this Agreement, or (c) to limit the risks which he would assume or the claims for which he would be responsible in the absence of such enumerations.

No third party rights are created by the Agreement, except to the extent that the Agreement specifically provides otherwise by use of the words "benefit" or "direct right of action".

Inasmuch as the Authority has agreed to indemnify the Cities of New York and Newark against claims of the types described in subparagraph D above made against said cities, the Consultant's obligation under subparagraph D above shall include claims by said cities against the Authority for such indemnification.

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

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 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.

21. 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 Authority) 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;

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; and

G. no person or organization has been retained, employed or designated on behalf of the Consultant to impact any Authority determination with respect to (i) the solicitation, evaluation or award of this Agreement; or (ii) the preparation of specifications or request for submissions 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. With respect to the foregoing certification in paragraph "21G.", if the Consultant cannot make the certification, it shall provide, in writing, with the signed proposal: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Agreement, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Director of the Procurement Department of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Agreement. As a result of such disclosure, the Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsibility.

Notwithstanding that the 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 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 Authority.

22. 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 an Authority agreement and then to establish that it is eligible to be awarded an agreement on which it has proposed 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.

23. NO GIFTS OR GRATUITIES

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 Authority agreement), etc. which might tend to obligate the 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" or "Authority" shall be deemed to include all subsidiaries of the 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.

24. NON-DISCLOSURE/CONFIDENTIALITY, OFFERS OF EMPLOYMENT

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 Authority). Without the express written approval of the Director, you shall keep confidential, and shall require your employees, your sub-consultants, and your sub-consultant's employees to keep confidential a) all information disclosed by the 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.

The Consultant shall include the provisions of this clause in each sub-agreement 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 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 the Consultant or potential Consultant of the Authority or if the Consultant has an arrangement for future employment or for any other business relationship with said Consultant or potential Consultant, 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 Consultant or potential Consultant of the Authority, and the Consultant's participation in the preparation, negotiation or award of any agreement with such a Consultant 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 of 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 sections 20 to 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. 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

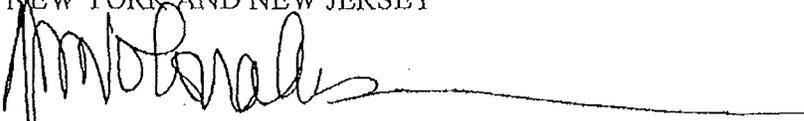
or enforceable unless it is in writing and signed by the party to be charged therewith, or his duly authorized representative, provided, however, that termination in the manner hereinbefore expressly provided shall be effective as so provided.

28. 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.

29. 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



Lillian D. Valenti
Director
Procurement Department

8

Date 9/6/13

ACCEPTED:

THE RISK MANAGEMENT PLANNING GROUP, INC.

By: Arthur J. Dunne, Jr.

Title: Pres/CEO

Date: 9/9/2013

ATTACHMENT A

PERFORMANCE OF EXPERT ADMINISTRATOR SERVICES FOR THE PORT AUTHORITY OF NY AND NJ SELF-INSURED WORKERS' COMPENSATION PROGRAM DURING 2013 THROUGH 2016

I. BACKGROUND

The Port Authority of New York and New Jersey (the "Port Authority" or "Authority") is a municipal corporate instrumentality and political subdivision of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. It is charged with providing transportation, terminal and other facilities of trade and commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States. The Authority manages and/or operates all of the region's major commercial airports (Newark Liberty International, John F. Kennedy International, Teterboro, LaGuardia and Stewart International Airports), marine terminals in both New Jersey and New York (Port Newark and Elizabeth, Howland Hook and Brooklyn Piers), and its interstate tunnels and bridges (the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; and the Outerbridge Crossing), which are vital "Gateways to the Nation."

The Port Authority Trans-Hudson Corporation (PATH) is a wholly owned subsidiary of the Authority. PATH is a heavy rail rapid transit system, operating 24 hours a day, seven days a week, and serves as a critical link in the New York – New Jersey transportation network. The New York – New Jersey Metropolitan region ranks as the most mass transit-dependent region in the United States. With the close proximity of its stations and Terminal to desirable destination points, PATH also serves as a catalyst for regional economic development.

The Treasury Department's Risk Financing Division is responsible for the overall risk management program of the Authority, which includes a workers' compensation section managing a self-insured, third party administered workers' compensation program, a contracts and agreements section which manages the insurance requirements in leases and contracts, as well as the Authority's Contractors' Insurance Program (CIP), and an insurance programs section. The Division is responsible for preserving the Authority's 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, which 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. The Authority formed a captive insurance company, Port Authority Insurance Captive Entity, LLC, on October 16, 2006 as an effective alternative risk financing mechanism to manage the price, capacity, services, and coverage for its insurance programs.

The Authority has been an authorized self-insured employer in the states of New York and New Jersey since 1935 and 1951 respectively. A third party administrator has provided administration services since 1998. Prior to 1998, the Authority was self-administrated. See reference documents identified in Section IV, below, for a comprehensive summary of the Authority's Workers' Compensation procedures and claims history.

II. SCOPE OF WORK

The services of the Third Party Administrator ("Consultant") shall generally consist of providing expert workers' compensation claims administration services for the Authority as its third party administrator for a three (3) year period beginning July 1, 2013 through August 31, 2016. At the Authority's discretion, this Agreement may be extended for additional 3-years, ending August 31, 2019. (The Consultant shall not provide claims administration services for employees of PATH.)

III. DESCRIPTION OF CONSULTANT'S TASKS

The Consultant's services shall include, but are not limited to the performance of the following:

- A. Provide the services of a dedicated Claims Unit to administer the Authority's Workers' Compensation claims.
- B. Provide a 24 hour/7 days a week, toll free telephone and/or web-based claims reporting system.
- C. Prepare and provide a "New Claims Summary Report".
- D. Establish and maintain a hard copy file of each new and run-off claim.
- E. Within 60 days, implement a user-friendly claims system, acceptable to the Authority, to maintain data on new and closed claims, and to record accident, payment, and reserves information. Complete the conversion of claims and financial data from the existing system to the acceptable new system within 60 calendar days.
- F. Accept and electronically transmit claims and/or payroll data feeds from/to the Authority.
- G. Train Authority's staff (not more than three people) as required, and provide them with access to: claims data; payment information and financial history; and diary notes as compiled in the claims system.
- H. Conduct investigations of all accidents and claims. Provide for surveillance of claimants, as needed and/or as directed by the Authority.
- I. Determine compensability on new claims and establish appropriate reserves.
- J. Establish banking links with the Authority to facilitate funds transfers for prompt payment of benefits.
- K. Process benefit payments to claimants, providers, and vendors in accordance with statutory guidelines.
- L. Complete and submit payroll adjustments on lost time claims with salary continuation to the Authority's staff.

- M. Monitor the frequency and appropriateness of medical treatment after authorization by the Authority's Office of Medical Services.
- N. Audit all hospital and medical provider charges for compliance with the fee schedule or with usual and customary rates.
- O. Utilize nurse case management services, with prior approval, to control cost(s) where indicated.
- P. Schedule independent medical examinations as needed and approved by the Authority's staff.
- Q. Prepare and submit all claims forms, reports and filings in a timely manner, and as required by the appropriate state agencies.
- R. Recommend expert hearing representation for workers' compensation claims, as appropriate. (Note: hearing representation for New Jersey claims will continue to be provided by Authority in-house counsel.)
- S. Complete file preparation for all claims, and in any case, at least five (5) days before the scheduled hearings.
- T. Arrange for delivery and pick-up of all files that are handled by in-house counsel at a minimum of four (4) times per week at a location(s) to be determined by the Authority.
- U. Aggressively pursue all third party and second injury fund recoveries.
- V. Maintain closed files for a minimum of three (3) years. After the three (3) year period, package as appropriate and deliver closed files (sorted by calendar year) for long-term storage as requested by the Authority to a facility located in the Port District.
- W. Participate in monthly disability management meetings and both monthly and quarterly claims review meetings at designated Authority or Consultant facilities.
- X. Schedule annual internal audits of claims files and reserves.
- Y. Allow for audit of claim files by Authority staff at six month and one year intervals.
- Z. Provide Authority staff with reports regarding injury frequency and type, and attend meetings regarding safety issues and accident prevention, as required. Meetings are to be held at either The Authorities facilities or the Consultants and will be decided at time of scheduling.
- AA. Provide monthly check register and bank reconciliation reports, as well as daily funds transfer requests, to the Authority.
- BB. Provide federal Form 1099 to all parties, as appropriate, utilized by the TPA in the performance of services related to this Agreement.
- CC. Provide timely notice of claim to the Authority and its excess insurance carriers.
- DD. Provide Authority staff, and its excess insurers, a monthly "9/11/01 Claims Loss Summary Report", or revised version thereof, as appropriate.
- EE. Participate in all claims audits required by the Authority's excess insurance carriers as a prerequisite for reimbursement.

IV. INFORMATION AND MATERIALS PROVIDED BY THE AUTHORITY

The documents specified below were prepared for the subject project, and form a part of this Agreement.

Appendix A. Workers' Compensation Claims Procedures

Appendix B. Claims Reported 2006-2011

Appendix C. Comprehensive Claims History – All Open Claims as of 12/31/2011

Appendix D. 9-11-01 Claims Summary Report

V. LIABILITY INSURANCE AND WORKERS' COMPENSATION INSURANCE

A. Commercial Liability Insurance:

The Consultant shall take out and maintain at his own expense Commercial General Liability Insurance including but not limited to Premises-Operations, Completed Operations and Independent Contractor' coverages in limits of not less than \$1,000,000 combined single limit per occurrence for Bodily Injury Liability and Property Damage Liability. And if vehicles are to be used to carry out the performance of this Agreement, then the Consultant shall also take out, maintain and pay the premiums on Automobile Liability Insurance covering all owned, non-owned and hired autos in not less than \$1,000,000 combined single limit per accident for bodily injury and property damage. In addition, the liability policies (other than Professional Liability) shall include the Authority and its wholly owned entities as additional insureds and shall be specifically endorsed with a provision that the policy may not be canceled, terminated or modified without thirty (30) days written advance notice to the Project Manager. Moreover, the Commercial General Liability policy shall not contain any provisions (other than a Professional Liability exclusion, if any) for exclusions from liability other than provisions or exclusions from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy(ies) and certificate of insurance shall contain separation of insured condition (cross-liability) and severability of interests provisions so that coverage will respond as if separate policies were in force for each insured. Furthermore, the Consultant's insurance shall be primary with respect to the above additional insureds. Any insurance or self-insurance maintained by the above additional insureds shall not contribute to any loss or claim.

Further, the certificate of insurance and the liability policy(ies) shall be specifically endorsed that *"The insurance carrier(s) shall not, without obtaining the express advance 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 statutes respecting suits against the Port Authority."*

B. Workers' Compensation Insurance:

The Consultant shall take out and maintain Workers' Compensation Insurance in accordance with the requirements of law and Employer's Liability Insurance with limits of not less than \$1,000,000 each accident.

C. Professional Liability Insurance:

Not less than \$2,000,000 each occurrence, covering negligent acts, errors, mistakes, and omissions arising out of the work or services performed by Consultant, or any person employed by Consultant. All endorsements and exclusions shall be evidenced on the certificate of insurance. The coverage shall be written on an occurrence form or may be written on a claims-made basis with a minimum of a three-year reporting/discovery period.

D. Compliance:

Prior to commencement of work at the site, the Consultant shall deliver a certificate from its insurer evidencing policies of the above insurance stating the title of this Agreement, the P. A. Agreement number, compliance with notice of cancellation provisions, and containing a separate express statement of compliance with each of the requirements above set forth to the Project Manager.

1) Upon request of the General Manager, Risk Management/Treasury, the Consultant shall furnish to the Authority a certified copy of each policy itself, including the provisions establishing premiums.

2) Renewal certificates of insurance or policies shall be delivered via e-mail to the Authority's Project Manager at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume. If at any time any of the certificates or policies shall become unsatisfactory to the Authority, the Consultant shall promptly obtain a new and satisfactory certificate and policy.

3) If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the General Manager shall so direct, the Consultant shall suspend performance of the Agreement at the premises. If the Agreement is so suspended, no extension of time shall be due on account thereof. If the Agreement is not suspended (whether or not because of omission of the General Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Consultant to the Authority.

4) The requirements for insurance procured by the Consultant shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Consultant under this Agreement. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Consultant against the obligations imposed on them by law or by this or any other Agreement.

* * *

APPENDIX A

Treasury Department
SPI V-05
The Port Authority of New York and New Jersey

December 2011

The Port Authority's Workers' Compensation Program

I. General

The Port Authority of New York and New Jersey (the "Port Authority" or "Authority") has been a self-insured employer in New York since July 1, 1935 when self-insurance was adopted in connection with the Port Authority's entry into the New York State Employees' Retirement System. Self-insurance in New Jersey became effective May 1, 1951. Many policies in effect today either were formulated when self-insurance commenced or in 1947, when the Workers' Compensation function was administered jointly by the Law Department, the Department of Audit and Control, and the Medical Department.

The New York and New Jersey Workers' Compensation Laws require an employer to provide Workers' Compensation benefits for employees who sustain injuries arising out of and in the course of their employment. The employer reports such accidental injuries to the appropriate state Workers' Compensation agency. Temporary weekly benefits and bills for medical treatment are paid without awaiting formal action by the appropriate Workers' Compensation agency. The employer is subject to penalty if benefits are not provided promptly for an uncontroverted injury.

II. Administration

The current authorized Third-Party Claims Administrator (TPA), has been administering the Port Authority's Workers' Compensation program since August 31, 1998. The Port Authority's Workers' Compensation Liaison, Treasury Department, is the liaison between the agency and the TPA.

The TPA's Claims Manager, determines whether or not an injury is compensable and was the result of an accident that occurred out of and in the course of employment. If the decision is affirmative, Workers' Compensation benefits are provided to the injured employee. Should the decision be negative, the employee is so advised and no further action is usually taken. The employee may still file a claim directly with the appropriate Workers' Compensation agency. Upon notification that a claim has been filed, the TPA enters a notice of controversy and the claim proceeds to formal hearing.

An Administrative Law Judge, after hearing all the testimony, renders a decision as to the compensability of the claim. Thereafter, all parties can utilize an appeal process for further review. The Claims Manager in conjunction with in-house or outside counsel, determines when an appeal is warranted, and if indicated, an application is made for review of the Administrative Law Judge's decision.

III. Claim Filing Procedures

A Workers' Compensation claim is initiated when an injured employee completes an Employee's Occupational Disease or Injury Report, form PA360, Exhibit I, and submits it to

the immediate supervisor. Upon receipt of form PA360, the supervisor utilizes the teleclaim reporting system to notify the TPA directly. The TPA establishes a claim and a claim number is generated, which is written at the top of form PA360 by the supervisor. The supervisor and manager sign form PA360, forward the original to Risk Financing, Treasury Department, and send a copy to Risk Management Safety/Fire, Operations Services Department. All original reports are subsequently delivered to the TPA by the Workers' Compensation Liaison.

In addition, if the accident occurs in New York, the Employer's Report of Accident form C-2, is also to be completed and sent by the injured employee's unit or by the TPA directly to the New York Workers' Compensation Board (NYWCB). If the accident occurs in New Jersey, the First Report of Injury (FROI) form IA-1 and Subsequent Report of Injury (SROI) form IA-2 is sent electronically by the TPA to the New Jersey Division of Workers' Compensation.

IV. Awards of Compensation

A. Temporary Total Disability and Temporary Partial Disability

Payments for temporary total disability are processed in the same manner under both the New Jersey and New York Workers' Compensation Laws. An employee who alleges temporary total disability is required to furnish medical proof of disability or the claim for lost time may be denied. When the claim for lost time has been accepted, the procedures are as follows:

1. Employee Paid Full Wages
 - a. Full wages are generally paid to an injured employee in accordance with the applicable union contract or the Port Authority's salary continuation plan. The determination of eligibility for salary continuation for an employee is made by the employee's department.
 - b. The Workers' Compensation benefit portion of an injured employee's salary is non-taxable. Currently, the TPA submits a spreadsheet to the Workers' Compensation Liaison listing the employee's name, employee number, period of lost time, compensation rate, and gross benefit amount to be used in adjusting payroll. The Workers' Compensation Liaison audits the individual payroll adjustments, approves the spreadsheet, and forwards it to the Payroll Supervisor. Payroll will adjust the employee's taxable base wage by the gross Workers' Compensation benefit amount.
 - c. When an award is made by either Workers' Compensation agency covering a period of lost time, the Port Authority receives credit at the Workers' Compensation weekly rate for the salary payment made to the employee during the period of disability.
2. The Port Authority receives credit for partial wages paid to an employee up to the amount of the weekly Workers' Compensation benefit rate. If the amount of gross wages paid is less than the weekly rate of compensation, the TPA authorizes payment of the difference between these amounts to the employee.

3. When an employee is not paid wages for his/her absence, statutory workers' compensation weekly benefits are paid directly to the employee by the TPA. Payments of compensation are based on receipt of substantiating medical documentation received from the employee's treating physician, the determination of the Office of Medical Services, or an award made by either Workers' Compensation agency. When the current degree of disability cannot be readily determined to be causally related to the work injury, an employee maybe evaluated by a Port Authority staff physician, or a consultant is selected for an independent evaluation.
4. Temporary partial disability is not a benefit provided by the New Jersey Division of Workers' Compensation Statute.

B. Permanent Total Disability and Permanent Partial Disability

1. Schedule Awards:

a. **New York**

Under the New York workers' compensation system, permanent injuries for loss of sight and hearing, and loss of or loss of use of limbs are compensable pursuant to a schedule contained in the law. Awards are also made for permanent, serious facial disfigurement. The Workers' Compensation Law Judge determines the amount of the award based on the available medical evidence. The Port Authority receives credit for the wages paid to the injured employee during disability. Awards for temporary total and permanent partial disability are paid concurrently.

b. **New Jersey**

Under the New Jersey workers' compensation statute, schedule awards are made for loss of or loss of use of limbs or the body as a whole. For example, back injuries are subject to schedule loss awards in New Jersey, while the New York system does not provide for this type of resolution. No credit for full salary or statutory temporary total benefits is granted against permanent partial disability. Awards for temporary total and permanent partial disability are paid consecutively.

2. Non-Schedule Awards:

In New York, the employee receives weekly compensation benefits for permanent injury to a part of the body not subject to schedule award, if the employee loses earnings as the result of the injury, i.e., if gross earnings fall below the level of the employee's average weekly wage for one year prior to the accident. The reduced earnings rate is based on two-thirds of the difference between pre-injury and post-injury earnings (subject to maximum and minimum rates), and is paid for the duration of the disability or until earnings increase. If the injured worker is not employed and has no earnings, a permanent rate is fixed by the Workers' Compensation Administrative Law Judge that remains in effect until there is evidence of a change in condition or earnings.

Similarly, in New Jersey awards can be made for weekly, permanent total disability benefits, which are in effect lifetime awards at a fixed rate of compensation, subject to reductions for social security disability and disability retirement benefits.

3. Non-Schedule Lump Sum Settlements

In the case of a non-schedule permanent partial disability, the injured employee and the Port Authority, through either in-house or outside counsel, may at any time enter into an agreement providing for payment of a specified lump sum in order to close a claim. In New Jersey, lump sum settlements are made via Section 20 of the Workers' Compensation Statute. In New York, Section 25 or Section 32 of the Workers' Compensation Law can be applied. These non-schedule settlements must be approved by the appropriate Workers' Compensation agency. Payment of a lump sum generally relieves the employer of all future liability.

4. Payments

The TPA issues all benefit payments via checks drawn on its bank account. Checks in excess of \$10,000 require a double signature from the TPA's management team. Checks are also reviewed by Treasury Department staff as follows:

<u>Check Amounts</u>	<u>REVIEW</u>
\$10,000 - \$25,000	Workers' Compensation Liaison, Risk Financing
\$25,000 +	General Manager, Risk Financing

The TPA requests reimbursement from the Port Authority's self-insurance account to cover the total amount of the checks drawn on its bank account on a particular day. Upon receipt of the appropriate reimbursement request, the Treasury Department provides automatic transfer of funds from its main account to the TPA's account. The TPA provides Treasury with monthly check register and check reconciliation reports. These reports are reviewed by the Workers' Compensation Liaison, who forwards the check reconciliation report to Financial Accounting for further review. The TPA shall provide IRS form 1099 to all parties, as appropriate, at year-end.

a. Awards

Payments for temporary total disability (lost time) are made voluntarily and without awaiting formal award, subject to review and modification by the appropriate Workers' Compensation agency. Rates and periods of payment for permanent partial disability are paid in accordance with awards made by the appropriate Workers' Compensation agency.

b. Medical Expenses

Fees of New York physicians, surgeons, chiropractors, osteopaths, and podiatrists are regulated by a NYWCB medical fee schedule. The doctor cannot accept less than the fee specified, nor is the employer required to pay more than the appropriate fee, though the employer may voluntarily pay a greater fee. The charges of New Jersey treating physicians are limited in amount to the usual and customary fees charged by physicians in the same community. The Claims Manager, in special circumstances, may approve bills in excess of the customary amounts.

The Claims Manager, or other authorized designee on the TPA's management team, approves for payment, following independent audit, all bills for medical, surgical, osteopathic, chiropractic, podiatric, and dental treatment rendered

employees, and for hospital services provided. The TPA's staff will take exception to any bills that are excessive. An excessive bill is either adjusted by discussion with the medical practitioner, or a formal objection is filed with the appropriate Workers' Compensation agency. In some instances, appropriate medical treatment cannot be obtained at the medical fee schedule or usual and customary rates. The determination of an appropriate fee is made by the Claims Manager after consulting with the Chief Medical Officer of the Office of Medical Services (OMS).

V. Investigations

Workers' Compensation claims are subject to continuous review and outside investigations are conducted when required, by independent investigation agencies, if requested by the Claims Manager. Each claim is reviewed when notice of the incident is received by the TPA and, if indicated, is referred for investigation.

In an effort to provide quality control an annual questionnaire is sent to all long term benefit recipients by the Workers' Compensation Administrator. A response is requested as to whether each is receiving his/her benefit check from the TPA on a timely basis, if there are address changes, and if the work or marital status has changed. Copies of tax returns and W2 forms may be requested to verify earnings. An annual questionnaire, regarding the timely receipt of the IRS 1099 form from the TPA, shall be sent to a random sampling of parties.

In addition, the Workers' Compensation Administrator maintains a schedule of annual and semi-annual investigations to be performed by outside investigative agencies on all long-term workers' compensation benefit recipients. Each file is reviewed annually to confirm that the appropriate activity check was performed and whether the results indicate a need for further investigation or surveillance.

VI. Medical Treatment

The Office of Medical Services operates medical facilities at 233 Park Avenue South (NY, NY), the Port Authority Technical Center (Jersey City, NJ), the Journal Square Transportation Center (Jersey City, NJ) and at John F. Kennedy International Airport (Jamaica, NY).

The Port Authority's Office of Medical Services has the authority to control and authorize the medical treatment for injured employees. The Chief Medical Officer and staff physicians authorize consultations, determine medical work restricts of injured employees, and evaluate disability. The TPA shall also authorize medical consultations for claims purposes, in addition, to medical care for claimants who are no longer actively employed by the Port Authority.

A. New York Medical Treatment

Under New York law, an employee may choose any physician licensed and authorized by the Chairman of the New York Workers' Compensation Board to treat injured workers. The Port Authority is not obligated to pay for medical services rendered by a non-authorized physician.

B. New Jersey Medical Treatment

Under New Jersey law, the employer is required to provide and direct medical and hospital care for an injured employee. The Office of Medical Services selects and directs the physician that is authorized to treat the injured employee.

VII. Third Party Claims

The Workers' Compensation laws provide that an employee injured through the negligence of a third person not in the same employ need not choose between remedies. Instead, the employer is liable for the payment of workers' compensation benefits and the employee can pursue a cause of action against the third party tortfeasor. The employer has a lien against the employee's recovery in the third party action to the extent of its indemnity and medical payments made under the Workers' Compensation Law. In New York, this is subject to the provisions of the No-Fault Insurance Laws.

When notice is received that an employee sustained an injury due to possible negligence of a third party, notices of lien are sent to all parties by the TPA without weighing the merits of the claim. The status of third party cases is reviewed periodically by the TPA. If the employee settles his/her third party claim and the lien is not satisfied, the claim is referred to the Law Department for appropriate action.

Should the Port Authority subrogate to the employee's cause of action, the Law Department will attempt to recover the Port Authority's statutory lien amount.

As a general policy, Workers' Compensation liens are not compromised. A request for a reduction of a lien may be considered on the merits of each individual case. The Workers' Compensation Liaison may grant approval of a reduced lien recovery after an assessment of liability is made in conjunction with Law Department staff.

* * *

THE PORT AUTHORITY OF NY & NJ

P.A. Agreement #TRS-13-002
June 23, 2016

Lillian D. Valenti
Chief Procurement Officer

The Risk Management Planning Group, Inc.
211 Station Road, Suite 700
Mineola, NY 11501

Attention: Liam Dunne, President

**SUBJECT: PERFORMANCE OF EXPERT PROFESSIONAL CLAIMS
ADMINISTRATION SERVICES FOR THE PORT AUTHORITY OF NY
AND NJ SELF-INSURED WORKERS' COMPENSATION PROGRAM
DURING 2013-2019 – AMENDMENT #1**

Dear Mr. Dunne:

The Port Authority of New York & New Jersey hereby offers to amend the subject Agreement, awarded on September 3, 2013, as follows:

- One page one of the Agreement, in the last line of the first paragraph, after “hereof.”, insert “The Authority reserves the right, at its sole discretion, to extend the term of this Agreement for an additional one three-year extension option.”
- On page one of the Agreement and Attachment A, in the “Subject” after “2013” delete “2016”, and insert “2019”.

The Port Authority of New York and New Jersey (“Authority”) hereby exercises its option to extend the term of this Agreement for performance of the subject services. The term of the Agreement will commence on July 1, 2016 and unless terminated sooner, revoked or extended as provided in the Agreement, shall expire June 30, 2019. All terms and conditions for the performance of said services shall be as provided in the above referenced Agreement.

Please indicate your acceptance by signing both original copies of this Agreement (this letter) and returning them to Ekatherina Carrera, Contract Specialist, The Port Authority of New York and New Jersey, 4 World Trade Center, 150 Greenwich Street, 21st Floor, New York, NY 10007. The return of one copy executed by the Authority will effectuate the Agreement.

If you have any questions relating to this extension, please direct them to Ms. Carrera at (212) 435-4627 or by email at: ECarrera@panynj.gov.

*4 World Trade Center
150 Greenwich Street, 21st Floor
New York, NY 10007
T: 212 435 8427*

THE PORT AUTHORITY OF NY & NJ

By signing this Agreement you hereby affirm your certification under paragraphs 20 and 21 of the subject Agreement.

Sincerely yours,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

Lillian D. Valenti
Chief Procurement Officer

ACCEPTED:

THE RISK MANAGEMENT PLANNING GROUP, INC.

By:  _____

Print Name: E. Harry Creasey

Title: Executive Vice President

Date: 7/19/16

THE PORT AUTHORITY OF NY & NJ

P.A. Agreement #TRS-15-008
May 25, 2016

Lillian D. Valenti
Chief Procurement Officer

York Risk Services Group, Inc.
One Upper Pond Road
Building F, Fourth Floor
Parsippany, New Jersey 07054

CONFORMED

Attention: E. Harry Creasey, Executive Vice President

SUBJECT: PERFORMANCE OF AN EXPERT PROFESSIONAL THIRD PARTY CLAIMS ADMINISTRATOR SERVICES FOR THE WORLD TRADE CENTER SITE OWNER-CONTROLLED INSURANCE PROGRAM AS REQUESTED ON AN "AS-NEEDED" BASIS DURING 2015-2018

Dear Mr. Creasey:

1. The Port Authority of New York and New Jersey (the "Authority") hereby offers to retain York Risk Services Group, Inc., ("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, effective November 30, 2015 through November 30, 2018.

The Authority does not guarantee the ordering of any services under this Agreement and specifically reserves the right, in its sole discretion, to use any person or firm to perform the type of services required hereunder.

This Agreement shall be signed by you and the Authority's Chief Procurement Officer. As used herein and hereafter, the "Director" means the Treasurer of the Authority, or her duly authorized representatives acting within the scope of the particular authority vested in them.

For the purpose of administering this Agreement, the Treasurer has designated as the Duly Authorized Representative and Project Manager for this project Erika Graham, at (212) 435-5853, or e-mail address egraham@panynj.gov.

2. Your services shall be performed as expeditiously as possible and at the time or times required by the Director. Time is of the essence in the performance of all your services under this Agreement.

3. In response to a request for specific services hereunder and prior to the performance of any such services, you shall submit in writing to the Director for approval, an estimated cost and staffing analysis of such services. Approval of such cost and direction from the Director in writing to proceed shall effectuate the performance of services under this Agreement. After the point at which your expenditures for such services reach such approved estimated cost, you shall not continue to render any such services unless you are specifically authorized in writing to so continue by the Director and you shall submit to him for approval a revised written estimated

*4 World Trade Center
150 Greenwich Street, 21st Floor
New York, NY 10007
T: 212 435 8427*

cost of such services. If no such authorization is issued, the performance of the specifically requested services under 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 an amount equal to the approved estimated cost. Preparation of the cost estimate and staffing analysis mentioned in the first sentence of this paragraph shall not be a compensable service hereunder.

4. In order to effectuate the policy of the Authority, the services provided by the Consultant shall comply with all provisions of federal, state, municipal, local and departmental laws, ordinances, rules, regulations, and orders which would affect or control said services as if the services were being performed for a private corporation, unless the Authority standard is more stringent, in which case the Authority standard shall be followed, or unless the Consultant shall receive a written notification to the contrary signed by the Director personally, in which case the requirements of said notification shall apply.

5. The Consultant shall meet and consult with Authority staff as requested by the Director in connection with the services to be performed herein. All items to be submitted or prepared by the Consultant hereunder shall be subject to the review of the Director. The Director may disapprove if, in his sole opinion said items are not in accordance with the requirements of this Agreement or accepted professional standards or are impractical, uneconomical, or 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 Director, but the Consultant shall not be compensated under any provision of this Agreement for performance of such revisions. No approval or disapproval or omission to approve or disapprove, however, shall relieve the Consultant of his responsibility under this Agreement to furnish the requested services in accordance with an agreed upon schedule and in accordance with professional standards.

6. 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 **\$550,000.00** (Five Hundred and Fifty Thousand dollars) 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.

7. As full compensation for all your services and obligations in connection with this Agreement, the Authority will pay you the total of the amounts computed as set forth below, subject to the limits on compensation and the provisions set forth above.

- Fees: Exhibit I, Pricing and Compensation Proposal, attached hereto, includes a schedule of the actual fees that have been approved by the Authority to perform Services in connection with this Agreement.

8. The Authority reserves the right to make changes to any portion of the Work.

A. The Consultant shall immediately notify the Authority, in writing, of any change in the work scope either requested by the Authority or desired by the Consultant. Such notice shall be in the form of an "Initial Notice of Change" and shall include a detailed Statement of Work describing the change and the reasons for it. Upon the Authority's acknowledgment of the proposed change order, the Consultant will be requested to submit a Cost Proposal that must include the estimated hours by element of work and the applicable fully loaded hourly rate(s), other direct charges, if any, and subconsultant charges, if any, in the same detail as cost elements for the Consultant, in accordance with the provisions of this Agreement related to compensation, as well as any schedule adjustment arising from the change. The amounts to which both parties agree with the proposed change will be incorporated into the Agreement by issuance of a Change Order.

B. If the Consultant does not agree with any schedule or cost decision of the Authority related to said change, the Consultant shall diligently perform all such work as directed by the Authority. The Consultant must issue any related claim to the Authority within five (5) work-days of the Authority's request to perform said change. Upon receipt, the Authority may consider the claim. If accepted, in whole or part, the Authority will issue a Change Order. The performance of all such services shall comply with the requirements of this Agreement except as otherwise mutually agreed upon by the parties, in writing.

The Authority reserves the right to delete any item of the work in whole or in part. The Director must authorize such deletions in writing.

9. 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 constitute 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 one year after completion of services to be performed under this Agreement.

10. On or about the fifteenth (15th) day of each month, you shall render a bill for services performed and reimbursable out-of-pocket expenses incurred in the prior month, accompanied by such records and receipts as required, to the Project Manager. Each invoice shall bear your taxpayer number and the purchase order number provided by the Director. Upon receipt of the foregoing, the Director will estimate and certify to the Authority the approximate amount of compensation earned by you up to that time. As an aid to you, the Authority will, within fifteen (15) days after receipt of such certification by the Director, advance to you by check the sum certified minus all prior payments to you for your account.

11. The Authority may at any time for cause terminate this Agreement as to any services not yet rendered, and may terminate this Agreement in whole or in part 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 in whole or in part 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 will pay you as the full compensation to which you shall be entitled in connection with this Agreement the amounts computed as above set forth for services completed to the satisfaction of the Director through the date of termination, minus all prior payments to you.

12. You shall not issue or permit to be issued any press release, advertisement, or literature of any kind, which refers to the Authority or to 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.

13. 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.

14. 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.

15. 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.

16. Originals of estimates, reports, records, data, charts, documents, renderings, computations, computer tapes or disks, 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 will have the right to use or permit the use of them and any of 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 to this Agreement or not. This Agreement shall not be construed, however, to require the Consultant to obtain for the Consultant and the Authority the right to use any idea, design, method, material, equipment or other matter which is the subject of a valid patent, unless owned by the Consultant, or subconsultant, or an employee of either. 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 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.

17. 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 will 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.

18. Notwithstanding anything to the contrary herein, the work product of the Consultant, its officers, agents, employees, or sub-consultants which is produced in accordance with the Agreement, whether it consists of computer programming or documentation thereof, including source code, and on any media whatsoever, shall be deemed to belong exclusively to the Authority, and the Authority will have the exclusive right to obtain and to hold in its own name any and all copyrights, patents, trade secrets or other proprietary rights and protection as may be produced as part of this work product, including the right to extensions or renewals, where appropriate. The work product shall not be destroyed or released to anyone outside of the Project Management Office without express written authorization of the Director. The Authority will have the exclusive 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 for herein. You agree to contract with your employees for the benefit of the Authority to insure that the Authority has such rights and to give to the Authority or any party designated by the Authority all assistance reasonably required to perfect the rights herein above stated. You shall indemnify and hold harmless the Authority against any claims of proprietary rights infringement arising out of such use of your work product.

19. You shall promptly and fully inform the Director, in writing, of any intellectual property 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.

20. 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.

21. 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 moneys 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.

22. 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 fifty-one percent (51%) owned by one (1) or more members of one (1) or more minority groups, or, in the case of a publicly held corporation, at least fifty-one percent (51%) of the stock of which is owned by one (1) or more members of one (1) or more minority groups; and whose management and daily business operations are controlled by one (1) or more such individuals who are citizens or permanent resident aliens. "Women-owned business" or "WBE" means a business which is at least fifty-one percent (51%) owned by one (1) or more women; or, in the case of a publicly held corporation, fifty-one percent (51%) of the stock of which is owned by one (1) or more women; and whose management and daily business operations are controlled by one (1) 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 twelve percent (12%) participation by qualified and certified MBEs and five percent (5%) to qualified and certified WBEs on technical service projects.

To be "certified" a firm must be certified by the Authority's Office of Business Diversity and Civil Rights.

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 <http://www.panynj.gov/business-opportunities/supplier-diversity.html>. The Consultant will be required to submit to the Authority's Office of Business Diversity and Civil Rights for certification the names of MBE/WBE firms it proposes to use who are not on the list of certified MBE/WBE firms.

23. NON-DISCRIMINATION REQUIREMENTS

The Consultant shall take all necessary and reasonable steps to ensure non-discrimination in the performance and administration of all aspects of this Contract.

A. Consultant hereby agrees that no person on the ground of race, color, national origin, creed/religion, sex, age or handicap/disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the furnishing of goods or services or in the selection and retention of subconsultants and/or vendors under this Contract. Consultant shall also ascertain and comply with all applicable federal, state and local laws, ordinances, rules, regulations, and orders that pertain to equal employment opportunity, affirmative action, and non-discrimination in employment.

B. Consultant agrees that these "Non-Discrimination Requirements" are a binding part of this Contract. Without limiting the generality of any other term or provision of this Contract, in the event the Authority, or a state or federal agency finds that the Consultant or any of its subconsultants or vendors has not complied with these "Non-Discrimination Requirements", the Authority may cancel, terminate or suspend this Contract in accordance with Section 11 of these Standard Terms and Conditions entitled "Default, Revocation, or Suspension of Contract."

C. Consultant agrees to cooperate fully with the Authority's investigation of allegations of discrimination. Cooperation includes, but is not limited to, allowing the Authority to question employees during the investigation of allegations of discrimination, and complying with directives that the Authority or the State or Federal government deem essential to ensure compliance with these "Non-Discrimination Requirements."

24. NOTIFICATION OF SECURITY REQUIREMENTS

The Authority has the responsibility of ensuring safe, reliable and secure transportation facilities, systems, and projects to maintain the well-being and economic competitiveness of the region. Therefore, the Authority reserves the right to deny access to certain documents, and to sensitive security sites and facilities (including rental spaces) to any person that declines to abide by Authority security procedures and protocols, and to any person with a criminal record with respect to certain crimes or who may otherwise poses a threat to the construction site or facility security. 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, and to make any amendments with respect to such requirements as determined by the Authority.

These security requirements may include but are not limited to the following:

- Execution of Non-Disclosure and Confidentiality Agreements and Acknowledgments

At the direction of the Authority, you shall have your employees, subconsultants and their employees execute Authority approved non-disclosure agreements.

- Consultant/Subconsultant identity checks and background screening

The Consultant may be required to have its staff, and any subconsultant's staff, visitors or others over whom the Consultant/subconsultant has control, authorize the Authority or its designee to perform background checks, and a personal identity verification check. Such authorization shall be in a form acceptable to the Authority. The Consultant and subconsultant may also be required to use an organization designated by the Authority to perform the background checks.

The Authority's designated background screening provider may require 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; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Authority approved provider to be used to conduct background screening and personal identity verification, except as otherwise required by federal law and/or regulation (such as the Transportation Worker Identification Credential for personnel performing in secure areas at Maritime facilities). Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers is located at <http://www.secureworker.com>, or S.W.A.C. can be contacted directly at (877) 522-7922 for more information and the latest pricing. If approved by the Project Manager, the cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Consultant (and its subconsultants) as an out-of-pocket expense as provided herein. Staff that are rejected for a credential for any reason are not reimbursable.

- Issuance of Photo Identification Credential

No person shall be permitted on or about the non-public areas of the Authority's construction sites or facilities (including rental spaces) without a facility-specific photo identification credential approved by the Authority. If the Authority requires facility-specific identification credentials for the Consultant and the subconsultant's staff, the Authority will supply such identification at no cost to the Consultant or its subconsultants. Such facility-specific identification credential shall remain the property of the Authority and shall be returned to the Authority at the completion or upon request prior to completion of the individual's assignment at the specific facility. It is the responsibility of the Consultant to immediately report to the Authority the loss of any staff member's or subconsultant's individual facility-specific identification credential. The Consultant will be billed for the cost of the replacement

identification credential. Staff shall display Identification badges in a conspicuous and clearly visible manner, when entering, working or leaving an Authority construction site or facility.

Staff may be required to produce not less than two forms of valid/current government issued identification having an official photograph and an original, non-laminated social security card for identify and SSN verification.

- Designated Secure Areas

Services under the Agreement may be required in designated secure areas, as the same may be designated by the Authority ("Secure Areas"). The Authority will require the observance of certain security procedures with respect to Secure Areas, which may include the escort to, at, and/or from said high security areas by security personnel. All personnel that require access to designated Secure Areas who are not under escort by an authorized individual will be required to undergo background screening and personal identity verification.

Forty-eight (48) hours prior to the proposed performance of any work in a Secure Area, the Consultant shall notify the Project Manager. The Consultant shall conform to the procedures as may be established by the Project Manager from time to time and at any time for access to Secure Areas and the escorting of personnel hereunder. Prior to the start of work, the Consultant shall request a description from the Project Manager of the Secure Areas, which will be in effect on the commencement date. The description of Secure Areas may be changed from time to time and at any time by the Project Manager during the term of the Agreement.

- Access control, inspection, and monitoring by security guards

The Authority may provide for Authority construction sites or facilities (including rental spaces) access control, inspection and monitoring by Port Authority Police or Authority retained Consultant security guards. However, this provision shall not relieve the Consultant of its responsibility to secure its equipment and work and that of its subconsultants and service suppliers at the Authority construction sites or facilities (including rental spaces). In addition, the Consultant, subconsultant or service provider is not permitted to take photographs, digital images, electronic copying and/or electronic transmission or video recordings or to make sketches on any other medium at the Authority construction sites or facilities (including rental spaces), except when necessary to perform the Work under this Agreement, without prior written permission from the Authority. Upon request, any photograph, digital images, video recording or sketches made of the Authority construction sites or facilities shall be submitted to the Authority to determine compliance with this paragraph, which submission shall be conclusive and binding on the submitting entity.

- Compliance with the Port Authority Information Security Handbook

The Agreement may require access to Authority information considered Protected Information ("PI") as defined in the Port Authority Information Security Handbook ("Handbook"), dated October, 2008, corrected as of November 14, 2013; and as may be further amended. The Handbook and its requirements are hereby incorporated into this Agreement and will govern the possession, distribution and use of PI if at any point during the lifecycle of the project or solicitation it becomes necessary for the Consultant to have access to PI. Protecting sensitive information requires the application of uniform safeguarding measures to prevent unauthorized

disclosure and to control any authorized disclosure of this information within the Authority or when released by the Authority to outside entities. The Handbook can be obtained upon request or at: <http://www.panynj.gov/business-opportunities/pdf/Corporate-Information-Security-Handbook.pdf>.

- Audits for Compliance with Security Requirements

The Authority may conduct random or scheduled examinations of business practices under this section and the Handbook in order to assess the extent of compliance with security requirements, PI procedures, protocols and practices, which may include, but which are not necessarily limited to, verification of background check status, confirmation of completion of specified training, and/or a site visit to view material storage locations and protocols.

25. The Consultant assumes the following distinct and several risks to the extent arising from the negligent or willful intentional acts or omissions of the Consultant or its subconsultants in the performance of services hereunder:

A. The risk of loss or damage to Authority property arising out of or in connection with the performance of services hereunder;

B. The risk or loss or damage to any property of the Consultant or its subconsultants arising out of or in connection with the performance of services hereunder;

C. The risk of claims, arising out of or in connection with the performance of services hereunder, whether made against the Consultant or its subconsultants or the Authority, for loss or damage to any property of the Consultant's agents, employees, subcontractors, subconsultants, materialmen or others performing services hereunder;

D. The risk of claims, just or unjust, by third persons made against the Consultant or its subconsultants or the Authority on account of injuries (including wrongful death), loss or damage of any kind whatsoever arising in connection with the performance of services hereunder including claims against the Consultant or its subconsultants or the Authority for the payment of workers' compensation, whether such claims are made and whether such injuries, damage and loss are sustained at any time both before and after the completion of services hereunder.

The Consultant shall indemnify the Authority against all claims described in subparagraphs A through D above and for all expense incurred by it in the defense, settlement or satisfaction thereof, including expenses of attorneys. If so directed, the Consultant shall defend against any claim described in subparagraphs B, C, and D above, in which event the Consultant shall not without obtaining express advance permission from the General Counsel of the Authority raise any defense involving in any way jurisdiction of the tribunal, immunity of the Authority, governmental nature of the Authority or the provisions of any statutes respecting suits against the Authority, such defense to be at the Consultant's cost.

The provisions of this clause shall also be for the benefit of the Commissioners, officers, agents, and employees of the Authority, so that they shall have all the rights which they would have under this clause if they were named at each place above at which the Authority is named, including a direct right of action against the Consultant to enforce the foregoing indemnity, except, however, that the Authority may at any time in its sole discretion and without liability on

its part cancel the benefit conferred on any of them by this clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the completion of services hereunder nor the making of payment (final or otherwise) shall release the Consultant from his obligations under this clause. Moreover, neither the enumeration in this clause or the enumeration elsewhere in this Agreement of particular risks assumed by the Consultant or of particular claims for which he is responsible shall be deemed (a) to limit the effect of the provisions of this clause or of any other clause of this Agreement relating to such risks or claims, (b) to imply that the Consultant assumes or is responsible for risks or claims only of the type enumerated in this clause or in any other clause of this Agreement, or (c) to limit the risks which the Consultant would assume or the claims for which he would be responsible in the absence of such enumerations.

No third party rights are created by the Agreement, except to the extent that the Agreement specifically provides otherwise by use of the words "benefit" or "direct right of action".

Inasmuch as the Authority has agreed to indemnify the Cities of New York and Newark against claims of the types described in subparagraph D above made against said cities, the Consultant's obligation under subparagraph D above shall include claims by said cities against the Authority for such indemnification.

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

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 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 submission, had any sanction imposed in excess of \$50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
- F. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, 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, including an inspector general of a governmental agency or public authority.

27. 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 March 11, 2014, or as may be revised, (a copy of which is available upon request to the Authority) 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;

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; and

G. no person or organization has been retained, employed or designated on behalf of the Consultant to impact any Authority determination with respect to (i) the solicitation, evaluation or award of this Agreement; or (ii) the preparation of specifications or request for submissions in connection with this Agreement.

The certifications in this Section and the Section entitled "Certification of No Investigation (Criminal or Civil Anti-trust), Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information", 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 certifications in this Section and the Section entitled "Certification of No Investigation (Criminal or Civil Anti-trust), Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information", 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 certifications in this Section and the Section entitled "Certification of No Investigation (Criminal or Civil Anti-trust), Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information", 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. With respect to the foregoing certification in paragraph "27G.", if the Consultant cannot make the certification, it shall provide, in writing, with the signed proposal: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Agreement, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Chief Procurement Officer of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Agreement. As a result of such disclosure, the Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsibility.

Notwithstanding that the Consultant may be able to make certifications in this Section and the Section entitled "Certification of No Investigation (Criminal or Civil Anti-trust), Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information" 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, or during the term of this Agreement, 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 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 Authority.

28. 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 an Authority agreement and then to establish that it is eligible to be awarded an agreement on which it has proposed 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.

29. CONSULTANT RESPONSIBILITY, SUSPENSION OF WORK AND TERMINATION

During the term of this Agreement, the Consultant shall remain responsible. The Consultant agrees, if requested by the Authority to present evidence of its continuing legal authority to do

business in the States of New Jersey or New York, integrity, experience, ability, prior performance, and organizational and financial capacity.

The Authority, in its sole discretion, reserves the right to suspend any or all activities under this Agreement, at any time, when it discovers information that calls into question the responsibility of the Consultant. In the event of such suspension, the Consultant will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Consultant shall comply with the terms of the suspension order. Agreement activity may resume at such time as the Authority issues a written notice authorizing a resumption of performance under the Agreement.

Upon written notice to the Consultant, and an opportunity to be heard with appropriate Authority officials or staff, the Agreement may be terminated by the Authority at the Consultant's expense where the Consultant is determined by the Authority to be non-responsible. In such event, the Authority or its designee may complete the contractual requirements in any manner he or she may deem advisable and pursue available legal or equitable remedies for breach, including recovery of costs from Consultant associated with such termination.

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

At all times, 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 Authority agreement), etc. which might tend to obligate or ingratiate the 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" or "Authority" shall be deemed to include all subsidiaries of the Authority.

The Consultant shall ensure 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 the event that the Consultant becomes aware of the occurrence of any conduct that is prohibited by this section entitled "No Gifts, Gratuities, Offers of Employment, Etc.", it shall report such occurrence to the Authority's Office of Inspector General within three (3) business days of obtaining such knowledge. (See "<http://www.panynj.gov/inspector-general>" for

information about reporting information to the Office of Inspector General). Failing to report such conduct shall be grounds for a finding of non-responsibility.

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 March 11, 2014, or as may be revised (a copy of which is available upon request to the Office of the Secretary of the Authority). Without the express written approval of the Director, you shall keep confidential, and shall require your employees, your subconsultants, and your subconsultant's employees to keep confidential a) all information disclosed by the 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.

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

31. 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 the Consultant or potential Consultant of the Authority or if the Consultant has an arrangement for future employment or for any other business relationship with said Consultant or potential Consultant, 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 Consultant or potential Consultant of the Authority, and the Consultant's participation in the preparation, negotiation or award of any agreement with such a Consultant 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 Authority in writing of such situation giving the full details thereof. Unless the Consultant receives the specific written approval of the Authority, the Consultant shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. The Authority may require the Consultant to submit a mitigation plan addressing and mitigating any disclosed or undisclosed conflict, which is subject to the approval of the Authority and shall become a requirement, as though fully set forth in this Agreement. In the event the Authority 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 Authority to be no longer appropriate because of such preclusion, then the Authority shall have full authority on behalf of 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. The Authority's determination regarding any questions of conflict of interest shall be final.

32. DEFINITIONS

As used in sections 24 to 29 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.

33. 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.

34. 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.

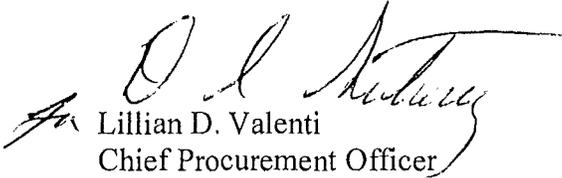
35. References herein to the Port Authority shall and shall be deemed to mean equally the Port Authority Trans Hudson Corporation (PATH).

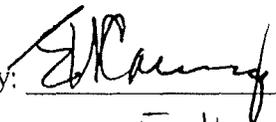
36. If the foregoing meets with your approval, please indicate your acceptance by signing the original and the additional enclosed copy in the lower right-hand corner and returning them to the Authority.

Sincerely,

THE PORT AUTHORITY OF
NEW YORK AND NEW JERSEY

ACCEPTED:
YORK RISK SERVICES GROUP, INC.


Lillian D. Valenti
Chief Procurement Officer

By: 

Print Name: E. Harry Creasey

Title: Executive Vice President

Date: 6/30/2016

Date: 6/8/16

ATTACHMENT A

PERFORMANCE OF EXPERT PROFESSIONAL THIRD-PARTY CLAIMS ADMINISTRATOR SERVICES FOR THE WORLD TRADE CENTER SITE OWNER CONTROLLED INSURANCE PROGRAM DURING 2015-2018

I. BACKGROUND

For background with respect to The Port Authority of New York and New Jersey (the "Authority") see www.panynj.gov. Additionally, the most recent electronic version of the Authority's Annual Report is available at <http://corpinfo.panynj.gov/pages/annual-reports/>.

II. GENERAL INFORMATION

A. CORPORATION FINANCIAL INFORMATION

Your attention is directed to <http://www.panynj.gov/corporate-information/financial-information.html>, where you will find the most recently published Comprehensive Annual Financial Report of the Port Authority, 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>.

B. RISK FINANCING

The Treasury Department's Risk Financing Division (The Division) is responsible for the overall risk management program of the Authority, which includes the World Trade Center OCIP, 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 Financing, 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.

C. THE WTC OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

The Authority's WTC OCIP began in 2007 and has existed continuously since that time. The OCIP provides General Liability, Builders' Risk and Workers' Compensation coverages to the contractors and subcontractors working on the Agency's assets at the World Trade Center Site, which included World Trade Center 1, The National 9/11 Museum and Memorial (N911MM), The Transportation Hub and The Vehicle Security Center (VSC). The N911MM, The VSC, and World Trade Center One were put into operation in 2014, and OCIP insurance for those assets was terminated. The

D. LOSS CONTROL

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 OCIP 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 OCIP from a list of panel counsel of the lead carrier and to amend such selection at any time during the term of the OCIP. 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, Port Authority's outside counsel, Third Party Administrator (TPA), and underwriters from the lead excess carrier. The objective of the CRC 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 OCIP 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.

III. SCOPE OF WORK

The scope of work under this Agreement shall generally consist of the following:

The Third Party Administrator will be responsible managing claims from notification to final resolution, with the goal of obtaining best possible outcome for the Agency.

IV. DESCRIPTION OF CONSULTANT'S TASKS

Specific tasks to be performed by the Consultant include, but may not be limited to the following:

1. Receive and manage all claims that arise under the designated policy(s);
2. Conduct preliminary investigation of the facts giving rise to the matter. Where feasible and appropriate, such preliminary investigation shall include a site inspections, interview and taking of statements of witnesses, photographing of the site, and obtaining all relevant documents, including, but limited to, accident reports, contracts, and medical reports.
3. Maintain database of all claims reported.
4. Upon receipt of a claim, work with insurer to establish both an initial indemnity and expense reserve, with concurrence from the Port Authority.

5. Provide to the Port Authority, on a monthly basis, a loss run including but not limited to reserves, accident description, claimant information, date of loss.
6. Manage, adjust, settle or deny (except on coverage grounds), subject to Port Authority approval, all matters that fall within the SIR/Deductible limits.
7. Receive, record, and pay all vendor bills incurred in the administration of claims.
8. Lead Claims Review Committee meetings on a quarterly basis.
9. Ensure all treatment rendered to injured workers is causally related to the occurrence and is medically necessary.
10. Ensure indemnity payments are made timely and accurately
11. Manage and oversee all litigated matters associated with the Port Authority World Trade Center OCIP

Note: All reports and documents required by the performance of the above tasks shall be submitted in draft form, and resubmitted in final form within 10 business days of receipt of Authority comments.

VI. LIABILITY INSURANCE AND WORKERS' COMPENSATION INSURANCE

A. Commercial Liability Insurance:

The Consultant shall take out and maintain at his own expense Commercial General Liability Insurance including but not limited to Premises-Operations, Completed Operations and Independent Contractor coverages in limits of not less than \$1,000,000 combined single limit per occurrence for Bodily Injury Liability and Property Damage Liability. And if vehicles are to be used to carry out the performance of this Agreement, then the Consultant shall also take out, maintain and pay the premiums on Automobile Liability Insurance covering all owned, non-owned and hired autos in not less than \$1,000,000 combined single limit per accident for bodily injury and property damage. In addition, the liability policies (other than Professional Liability) shall include the Authority and its wholly owned entities as additional insureds and shall be specifically endorsed with a provision that the policy may not be canceled, terminated or modified without thirty (30) days written advance notice to the Project Manager. Moreover, the Commercial General Liability policy shall not contain any provisions (other than a Professional Liability exclusion, if any) for exclusions from liability other than provisions or exclusions from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy(ies) and certificate of insurance shall contain separation of insured condition (cross-liability) and severability of interests provisions so that coverage will respond as if separate policies were in force for each insured. Furthermore, the Consultant's insurance shall be primary with respect to the above additional insureds. Any insurance or self-insurance maintained by the above additional insureds shall not contribute to any loss or claim.

Further, the certificate of insurance and the liability policy(ies) shall be specifically endorsed that *"The insurance carrier(s) shall not, without obtaining the express advance 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 statutes respecting suits against the Port Authority."

B. Workers' Compensation Insurance:

The Consultant shall take out and maintain Workers' Compensation Insurance in accordance with the requirements of law and Employer's Liability Insurance with limits of not less than \$1,000,000 each accident.

C. Professional Liability Insurance:

Not less than \$100,000,000 each occurrence, covering negligent acts, errors, mistakes, and omissions arising out of the work or services performed by Consultant, or any person employed by Consultant. All endorsements and exclusions shall be evidenced on the certificate of insurance. The coverage shall be written on an occurrence form or may be written on a claims-made basis with a minimum of a three-year reporting/discovery period.

D. Compliance:

Prior to commencement of work under this Agreement, the Consultant shall deliver a certificate from its insurer evidencing policies of the above insurance stating the title of this Agreement, the Authority Agreement number, compliance with notice of cancellation provisions, and containing a separate express statement of compliance with each of the requirements above set forth to the Project Manager.

1) Upon request of the General Manager, Risk Financing/Treasury, the Consultant shall furnish to the Authority a certified copy of each policy itself, including the provisions establishing premiums.

2) Renewal certificates of insurance or policies shall be delivered via e-mail to the Authority's Project Manager at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Financing Management must approve the renewal certificate(s) of insurance before work can resume. If at any time any of the certificates or policies shall become unsatisfactory to the Authority, the Consultant shall promptly obtain a new and satisfactory certificate and policy.

3) If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the General Manager shall so direct, the Consultant shall suspend performance of the Agreement. If the Agreement is so suspended, no extension of time shall be due on account thereof. If the Agreement is not suspended (whether or not because of omission of the General Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage equal to the above required, the cost of such insurance to be payable by the Consultant to the Authority.

4) The requirements for insurance procured by the Consultant shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Consultant under this Agreement. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Consultant against the obligations imposed on them by law or by this or any other Agreement.

* * *

EXHIBIT I

York Pricing and Compensation Proposal

YORK'S FEE PROPOSAL
for
PORT AUTHORITY OCIP EXTENSION
October 30, 2015

Claims Services

York will provide claims handling at the following rates:

FEE PER FEATURE - NEW CLAIMS	
LINE OF BUSINESS	LIFE OF CLAIM
Workers' Compensation	
Medical Only	\$160.00
Indemnity - New York	\$1,455.00
General Liability	
Bodily Injury	\$1,095.00
Property Damage	\$495.00
Auto Liability	
Bodily Injury	\$1,155.00
Property Damage	\$395.00

Life of Claim: Life of Claim applies to claim features occurring and/or reported during the 12 month contract term and covers handling until conclusion.

Workers' Compensation Definitions:

- **Indemnity Claim:** Any claim resulting in lost time, litigation, serious injury, fractures, severe burns, cumulative trauma, chemical exposure, subrogation, or death.
- **Medical Only:** Claims for minor injuries with no lost time, no litigation and that are expected to resolve in less than six months with medical treatment, and with no potential for subrogation recovery. Jurisdictional requirements will always take precedent. Medical only files automatically convert to an indemnity file at 6 months and/or reach \$3500 in paid medical expenses.
- **Record Only:** The recording in York's system of an incident that at some point in the future may have the potential to develop into a claim. Record Only claims will be identified as such upon presentation to York and will have no adjuster/examiner involvement. Subsequent adjuster/examiner involvement will result in the "Record Only" becoming reclassified and billed as a Claim.

Standard Monthly Reporting is provided at no additional charge.

Services of the Account Manager, along with telephonic claim reviews, are provided at no additional charge.

General Fees, Services, Terms and Conditions

- \$25.00: Record Only/Incidents.
- Claim Reporting: \$15.00 – Telephonic, Web, Fax, Email.
- \$10,000 non-erodible, non-refundable annual administration fee payable upon signing of contract.
- RMIS Platform: FOCUS: For Port Authority we will waive the cost of 3 license(s)/seat(s) for access to FOCUS. Additional licenses/seats can be purchased at a cost of \$750 each. In addition, ten years of closed claim history, if requested, and all open claims, regardless of age, will be loaded into FOCUS at no additional charge. Loading of closed claim history beyond ten years may incur additional costs.
- In the event the outgoing TPA presents charges for the preparation and transmission of their data to York, those costs will be categorized as a pass through to the client.
- Outside Activity/Field Investigations will be billed at time and expense.
- MMSEA Reporting: \$8.75 per claim.
- York's proposed fees will remain in effect for 90 days from the date of this proposal.
- Pricing for each subsequent year of a multi-year contract will be subject to the greater of 3% or the percentage increase as reported by the U.S. Department of Labor -- Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>) for the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, All Items, covering the prior twelve month period, valued as of the month ending two months prior (to allow time for reports to be published) to the anniversary date of the contract.
- Billing: York will issue an electronic invoice monthly, via e-mail. Payments shall be due and payable no later than thirty days from the invoice date.
- Unless specifically identified, York's General Liability fixed fees are limited to Standard Commercial General Liability Coverage Form coverages A&C. Claims presented to York but excluded from the standard form coverages will be administered on a time & expense basis or on such other basis as agreed to between York and Port Authority.
- This proposal contemplates that York will be entering into a direct contract with Port Authority. Should York be required to contract with any other party, different terms may apply.

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- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
 - Port Authority will have the right to direct that the services York performs be rendered in a particular or different way or additional services be provided. If such direction increases York's cost of providing the services, York shall be entitled to an equitable adjustment in its compensation.
 - Subrogation: York's fee per feature pricing includes placing responsible parties on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, etc.
 - Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in three ways:
 - Port Authority may elect to fund an escrow account established and maintained by York. In this case, Port Authority will need to maintain the appropriate amount of funds in the escrow account to pay all Claims and ALAE and to avoid penalties and late payments. York will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. Port Authority will be responsible for bank fees with respect to the account.
 - With our Draft option, Port Authority may also elect to have York notify Port Authority of check amounts and payees required to satisfy Port Authority's Claims and ALAE obligations. Port Authority will be required to send York the requested checks in a timely manner for recording in the York claims system and distribution.
 - Port Authority may elect to maintain and fund a client-owned account from which York will issue all Claim and ALAE payments. In this case, Port Authority will provide York with the facsimile signature of an officer, director, partner or employee of Port Authority to print digitally on the checks. Port Authority will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of Port Authority. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under

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- investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
 - Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
 - Costs for copies of any public records or medical records
 - Costs of depositions and court reported or recorded statements
 - Costs and expenses of subrogation
 - Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
 - Witness fees and travel expenses
 - Costs of photographers and photocopy services
 - Costs of appraisal fees and expenses (not included in flat fee or performed by others)
 - Costs of indexing claimants
 - Services performed outside York's normal geographical regions
 - Costs of outside investigation, signed or recorded statements
 - Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with Customer
 - Any other extraordinary services performed by York at Customer's request
 - Investigation of possible fraud including SIU services and related expenses
 - Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of Customer.

York may, but need not, elect to utilize its own staff to perform these services. Associated fees and costs will be charged as ALAE.

Managed Care Fees:

DETAIL	FEES
MEDICAL BILL REVIEW - WORKERS COMPENSATION & AUTO LIABILITY/PIP CLAIMS	
Fee Per Bill - All States	\$9.50 per Bill
For CA, FL, OR, TX	Add \$1.75 per Bill State Reporting Fees
PPO Network & Out of Network Savings	26%
Enhanced Savings	26%
CERTIFIED NETWORKS	
California Medical Provider Network (WellComp MPN)	
Savings below Fee Schedule	26%
<i>Per Claim Charge is in Addition to Bill Review Fees Outlined Above Per Bill Fees also Available on a Case-by-case Basis</i>	
Texas Certified HCN (Complexy Plus)	\$9.50 per Bill (Includes Network Access & Savings)
Enhanced Savings	26%
<i>Per Bill Charge is in Addition to Bill Review Fees Outlined Above</i>	
CASE MANAGEMENT	
All States (Except California)	
Telephonic Case Management	\$98.00 per Hour
Field Case Management	\$98.00 per Hour Plus IRS Mileage reimbursement rate & expenses
California Only	
Telephonic Case Management	\$105.00 per Hour
Field Case Management	\$105.00 per Hour Plus IRS Mileage reimbursement rate & expenses
Life Care Plan	\$150.00 per Hour
UTILIZATION REVIEW / CERTIFICATION	
All States (Excluding California & Massachusetts)	
Procedure Rate per Review	\$125.00
Physician Review	\$140.00
Appeal Reviews	\$150.00
California and Massachusetts	
Procedure Rate per Review	\$145.00
Physician Review	\$250.00
Appeal Reviews	\$345.00
PEER REVIEW	
All States Peer Review - Depending on Specialty	\$195.00 - \$395.00 per Hour

Managed Care Fees (continued):

MEDICARE SECONDARY PAYER SERVICES (MSA)	
All States	
Standard MSA	\$3,500.00
Complex/Catastrophic MSA	\$5,000.00
Medical Cost Projections	\$1,200.00
Rush Report (Less than 10 days)	\$500.00
MSA Submission	\$500.00
Updated and Follow-up MSA	\$125.00 per Hour
Final Settlement Document Submission	\$50.00
SSA / SSDI Checks Eligibility	\$125.00 per Hour
Medicare Check	\$50.00
Conditional Payment Request	\$150.00
Conditional Payment Resolution	\$125.00 - \$500.00