



New Jersey Turnpike Authority

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TELEPHONE (732) 750-5300

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SHEILA Y. OLIVER
LIEUTENANT GOVERNOR

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JOHN D. MINELLA, *Commissioner*
RAPHAEL SALERMO, *Commissioner*
JOHN M. KELLER, *Executive Director*

March 3, 2022

TO ALL PROPOSERS:

RE: New Jersey Turnpike Authority
Request for Proposal
Third Party Claims Administration Services for Liability Insurances
RM-169620

Responses to Inquiries

Dear Sir/Madam:

Below are the New Jersey Turnpike Authority's responses to inquiries received with respect to the above-referenced Request for Proposals ("RFP").

Responses to Inquiries:

1. What is/was the annual TPA fee for the most recent full year?

ANSWER: The annual fee for the most recent contract year is \$103,050.

2. What is the excess liability insurance attachment point (SIR)?

**ANSWER: General Liability - \$2 Million SIR - \$3 million aggregate
Auto Liability - \$5 Million SIR
Police Protective - \$2 Million SIR**

3. Who is the current excess liability insurer?

ANSWER: AIG-Lexington is the lead underwriter

4. What are the current outstanding claim reserves for the OPEN claim inventory?

ANSWER: Total Open Reserves- 2017 to Present:

- General Liability- \$2,663,874
- Automobile Liability- \$ 140,000
- Police Professional- \$ 0

5. On page 18 of the RFP, information is provided regarding the claims history for the past five years. Can you please break out the AL and GL claims between Bodily Injury claims and Property Damage claims? This information should be readily available from your current administrator.

ANSWER: Numbers of claims below reflect periods 8/1 to 8/1 and are approximate:

Auto- BI Claims

- a. 2017- 10 Claims
- b. 2018- 2 Claims
- c. 2019- 2 Claims
- d. 2020- 0 Claims
- e. 2021- 0 Claims

Auto- PD Claims

- a. 2017- 21 Claims
- b. 2018- 28 Claims
- c. 2019- 14 Claims
- d. 2020- 13 Claims
- e. 2021- 5 Claims

AUTO- ZERO DOLLAR CLAIMS

- a. 2017- 3 Claims
- b. 2018- 7 Claims
- c. 2019- 7 Claims
- d. 2020- 7 Claims
- e. 2021- 8 Claims

GL- BI Claims

- a. 2017- 3 Claims
- b. 2018- 13 Claims
- c. 2019- 6 Claims
- d. 2020- 11 Claims
- e. 2021- 15 Claims

GL- PD Claims

- a. 2017- 162 Claims
- b. 2018- 350 Claims
- c. 2019- 68 Claims
- d. 2020- 145 Claims
- e. 2021- 57 Claims

GL- ZERO DOLLAR CLAIMS

- a. 2017- 403 Claims
- b. 2018- 485 Claims
- c. 2019- 244 Claims
- d. 2020- 268 Claims
- e. 2021- 40 Claims

6. Can you provide the same breakout of Bodily Injury vs. Property Damage claims for the open claims that may be subject to transfer?

ANSWER: The Authority would prefer having a TPA handle claims on a “life of claim” basis. However, if services are proposed on a “life of contract” basis, the approximate number of open claims is as follows:

Auto- BI Claims

- a. 2017- 4 Claims
- b. 2018- 2 Claims
- c. 2019- 2 Claims
- d. 2020- 0 Claims
- e. 2021- 0 Claims

Auto- PD Claims

- a. 2017- 0 Claims
- b. 2018- 0 Claims
- c. 2019- 0 Claims
- d. 2020- 3 Claims
- e. 2021- 3 Claims

GL- BI Claims

- a. 2017- 3 Claims
- b. 2018- 12 Claims
- c. 2019- 5 Claims
- d. 2020- 11 Claims
- e. 2021- 15 Claims

GL- PD Claims

- a. 2017- 0 Claims
- b. 2018- 1 Claims
- c. 2019- 3 Claims
- d. 2020- 66 Claims
- e. 2021- 50 Claims

7. In the past (at the time of the previous RFP for these services), it was noted by the Authority that approximately 80% of the reported claims result in an immediate denial (likely based on Title 59 immunities). Can you verify whether or not that is still the case?

ANSWER: Yes, about 80% are denied due to Title 59.

8. In accordance with the Open Public Records Act, can you please provide a copy of the current in-force contract for these services?

ANSWER: Please see attached documents.

9. With regard to Property and Auto/General Liability, please provide the total number of claims reported in each of the past 5 years, broken out by Lines of Business.

ANSWER: Please see the RFP, “Section III- Scope of Services”, Subsection D.4., which provides this information.

10. With regard to Property and Auto/General Liability, is your current TPA contract on a life of claim basis?

ANSWER: Yes.

11. Under General Liability, can you break out the number of Bodily Injury and Property Damage claims occurring in each of the last five (5) years?

ANSWER: See answer to question 5.

12. With regard to Property and Auto/General Liability, can you provide the number of files closed with no payment by line of coverage over the past five (5) years?

ANSWER: Numbers indicated below are per calendar year:

| | <u>Turnpike</u> | <u>Parkway</u> |
|-------------|---|---|
| 2017 | Property Damage-197 General Liability- 24 Auto Liability 3 | Property Damage-123 General Liability - 14 Auto Liability- 0 |
| 2018 | Property Damage-152 General Liability- 11 Auto Liability- 1 | Property Damage-138 General Liability- 9 Auto Liability- 0 |
| 2019 | Property Damage-309 General Liability- 20 Auto Liability- 1 | Property Damage-132 General Liability- 36 Auto Liability- 3 |
| 2020 | Property Damage- 213 General Liability- 19 Auto Liability- 1 | Property Damage- 97 General Liability- 25 Auto Liability- 4 |
| 2021 | Property Damage- 105 General Liability- 8 Auto Liability 1 | Property Damage 109 General Liability- 0 Auto Liability 2 |

13. Please provide a loss run showing claims by type “general liability (property damage and bodily injury), auto liability (property damage and bodily injury), employment liability, and police professional liability for the last five (5) years.

ANSWER: Please be advises that the claims count above \$50,000 is as follows:

2017-

- a) GL- 3
- b) EPLI- 3
- c) AL- 4

2018-

- a) GL- 9
- b) EPLI- 3
- c) AL- 2

2019-

- a) GL- 1
- b) EPLI-0
- c) AL- 1

2020-

- a) GL- 1
- b) EPLI- 0
- c) AL- 0

2021-

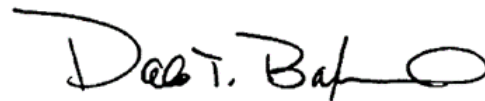
- a) GL- 0
- b) EPLI-0
- c) AL- 0

14. What is the current number of litigated files and the historic percentage of litigation?

ANSWER: There are approximately 40 matters currently being litigated, and that number has remained fairly constant over the years.

PROPOSALS ARE DUE ON Tuesday, March 15, 2022 at 4:00 PM EST.

Very truly yours,



Dale Barnfield
Director
Procurement and Materials Management

SERVICES AGREEMENT

FOR

THIRD PARTY CLAIMS ADMINISTRATION SERVICES FOR GENERAL LIABILITY, AUTOMOBILE LIABILITY, EMPLOYMENT LIABILITY AND POLICE PROFESSIONAL LIABILITY

THIS SERVICES AGREEMENT (the "Agreement") is dated and effective 6.4.17, 2017 by and between the New Jersey Turnpike Authority, a body corporate and politic of the State of New Jersey, with its principal offices located at One Turnpike Plaza, Woodbridge, New Jersey 07095 (the "Authority"); and Inservco Insurance Services, Inc. ("Inservco"), a corporation of the State of Pennsylvania, having its principal offices at Two North Second Street, Harrisburg, PA 17101 (the "Consultant").

WITNESSETH:

WHEREAS, the Authority requires the services of a professional firm with adequate staff and experience to provide third party claims administration services for the Authority's general liability, automobile, police professional and employment liability claims and to provide expert support services to the Authority's internal claims management system ; in accordance with a Request for Proposal, dated as of February 2017 (collectively, with all addenda, the "RFP", attached hereto as Exhibit A); and

WHEREAS, the Consultant is a professional company which is proficient in third party claims administration and has submitted to the Authority a written proposal, dated March 20, 2017; and

WHEREAS, the Consultant was invited to make an oral presentation to the Authority on March 31, 2017, following which the Consultant was further invited to submit a best and final offer ("BAFO"); and

WHEREAS, on April 3, 2017, the Consultant submitted in writing a BAFO which clarified and expanded upon the statements contained in the initial proposal (collectively, with the initial March 20, 2017 proposal, the "Proposal", attached hereto as Exhibit B); and

WHEREAS, the Authority evaluated the Proposal in accordance with the criteria stated in the RFP and, after comparison with other submitted proposals was deemed to be the most advantageous to the Authority; and

WHEREAS, on April 25, 2017 the Authority adopted Agenda Item 133-04-2017 awarding a professional services contract to the Consultant; and

WHEREAS, the Authority wishes to memorialize and enter into this Agreement with the Consultant setting forth the terms and conditions of the parties' rights and obligations with respect to the procurement of the services as hereinafter defined;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. DEFINITIONS.

"Authority" shall mean the New Jersey Turnpike Authority as established in accordance with *N.J.S.A. 27:23-1, et seq.*, and shall be the members of the Authority acting in accordance with said statute.

"Consultant" shall mean Inservco Insurance Services, Inc., with its principal offices located at Two North Second Street, Harrisburg, PA 17101.

"Completion Consultant" shall mean the consultant that the Authority selects and uses, pursuant to Section 8 of the Agreement, to complete the Services upon termination of the Consultant pursuant to Section 7 hereof.

"Director" shall refer to the Authority's General Counsel or his/her designee acting on his/her behalf as employees of the Authority with regard to this Agreement.

"Services" shall refer to third party claims administration in accordance with the Proposal and the RFP. The RFP and the Proposal are incorporated by reference into this Agreement and attached thereto as Exhibits A and B, respectively.

All other defined terms as used in this Agreement and not defined herein shall have the same meaning as defined and used in the RFP (Exhibit A) or the Proposal (Exhibit B), as the case may be.

2. COMPENSATION.

(a) The authorized amount of compensation to be paid to the Consultant under this Agreement shall be a fixed annual fee of \$99,050.00 for year 1, \$101,030.00 for year 2 and \$103,050.00 for year 3 for a total three-year contract price in an amount not to exceed \$303,130.00 in accordance with the Proposal. Should the Authority exercise the extension years of the agreement the fixed annual fee shall be \$103,050.00 and \$105,110.00 respectively for years 4 and 5 of the agreement. Payments shall include all professional fees, administrative service fees and all material expenses. The Authority shall have the right to audit all payroll and direct costs or expenses of the Consultant in accordance with Section 11 of this Agreement. The Consultant shall keep available, for Authority inspection, records of all costs and expenses for a period of not less than five (5) years after the term of this Agreement.

(b) No increase in the fees or expenses set forth in Section 2(a) hereof shall take effect unless such increased fees or expenses are approved by the members of the Authority in accordance with the statutes and laws of the State of New Jersey. The Consultant acknowledges and agrees to its responsibility to maintain control of all fees and expenses, and further acknowledges and agrees that the total compensation in the amount of \$303,130 is a total amount not to be exceeded for the three (3) year contract, and \$208,160 is the total amount not to be exceeded for the two option years

should the Authority exercise them and such amounts are sufficient to complete the Services under the terms of this Agreement.

(c) Any payments made to the Consultant by the Authority under the terms of this Agreement shall not be deemed a waiver of the Authority's right to seek damages for remediation in the event there are any deficiencies in the Services.

(d) In the event of any conflicting claim or claims by the Consultant regarding the right to receive payments that may be due, or to become due, from the Authority under the terms of this Agreement, the Authority may withhold the amount of payments pertinent to such conflicting claim or claims, as determined by the Authority, until such dispute, or disputes, be finally resolved to the reasonable satisfaction of the Authority.

3. STANDARD OF CARE. The Director may disapprove any item of Service rendered by the Consultant if it is not in accordance with the requirements of the Agreement or the standard of care of the Consultant as set forth herein. The Consultant represents and warrants that it shall exercise that degree of care and skill ordinarily exercised under similar circumstances by members of its profession performing the kind of services hereunder and practicing in the same or similar locality at the same time. In the event of non-fulfillment of the foregoing warranty, upon written demand of the Authority, the Consultant shall perform such corrective services (within the original scope of work) as may be necessary to conform to the foregoing warranty; provided further however, it is understood that the Director shall have the right throughout the term of the Agreement to review the Consultant's work and request reasonable remedial efforts and corrections, provided that such changes or corrections are substantially consistent with the RFP and the Proposal, and are limited to ensuring that the Consultant has provided the Services in accordance with the requirements of this Agreement and this standard of care. All costs incurred by the Consultant in performing any corrective Services shall be borne by the Consultant.

4. SERVICES. The Consultant represents itself to be experienced and competent to perform the Services in accordance with the requirements of this Agreement and the Standard of Care set forth in Section 3 herein. The Consultant agrees that the Services to be performed hereunder shall be those specified in the RFP and the Proposal. Should any ambiguity or conflict exist among the Agreement, the RFP, and the Proposal in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the hierarchy set forth in Section 25.

5. TERM. This Agreement shall be in effect for a period of three (3) year(s) from the effective date of this Agreement. This Agreement also provides the Authority with the option for two (2) additional (1) year extension(s) of the Services with the concurrence of the Consultant for additional services necessary or incidental to the subject matter of this Agreement. During the term of the Agreement the Authority will have the right to procure additional services at the pricing and in conformity with the Services outlined in the Proposal.

6. **PERSONNEL.** The Consultant agrees that the key personnel identified in the Proposal will be those individuals that are assigned to the Services, and that the assignment of such individuals is a material term of this Agreement. The Consultant agrees to promptly notify the Authority in writing of the identity of any individuals that it desires to assign to perform the Services as a replacement for, or in addition to, the key individuals named and listed in the Proposal. All replacements shall be subject to the approval of the Authority; provided, however, that such approval will not be unreasonably withheld if any replacement possesses qualifications and experience that are equal to, or greater than, the subject of the replacement.

7. **TERMINATION.** This Agreement at the discretion of the Authority may be terminated or suspended by the parties pursuant to the following terms and conditions;

(a) The Authority may terminate the Agreement as follows:

- (i) Immediately upon failure by the Consultant to remedy a material breach of its obligations under of this Agreement within five (5) days of the date of written notice from the Authority of such material breach;
- (ii) For convenience, upon thirty (30) days prior written notice by Authority;
- (iii) If the Consultant shall become insolvent or make an assignment for the benefit of the creditors or files a voluntary petition in bankruptcy, or if any involuntary petition in bankruptcy is filed against the Consultant and the act of bankruptcy alleged is not removed or dismissed within sixty (60) days;
- (iv) Immediately upon the indictment of an owner of Consultant.

Then and in such case, the Authority may at its option forthwith terminate this Agreement;

(b) The Consultant may terminate the Agreement as follows:

- (i) Upon thirty (30) days prior written notice to the Authority from the Consultant upon failure to remedy a material breach of its obligations under this Agreement within thirty (30) days of the written notice from the consultant to cure such material breach;

8. **RIGHTS UPON TERMINATION.** In the event of a termination, pursuant to Section 7 hereof, the total amount paid to the Completion Consultant exceeds the compensation stated in this Agreement, the Consultant shall pay the Authority any reasonable excess cost incurred by the Authority as a result of engaging the Completion Consultant.

9. **OBLIGATION FOR TRANSITION.** At such time as this Agreement is

terminated, whether pursuant to Section 7 hereof or by the expiration of the term and/or extension of the term pursuant to Section 5 hereof, the Consultant will make all reasonable efforts, in cooperation with the Authority and such parties as may be selected by the Authority to perform the Services after the termination of this Agreement in order to effect a smooth transition of services. In furtherance of this commitment, the Consultant shall, for example, but without limitation, retain and timely transfer all relevant files (including electronic files) to the appropriate recipient, confer with the Authority, and with any other party at the Authority's instruction.

10. FORCE MAJEURE. Neither party shall be liable for any delays or failure in performance due to causes beyond its control, including but not limited to, acts of any government, war, natural disasters, strikes, civil disturbances, fires, equipment failure or failures of third parties to provide (or delays in so providing) equipment, software or services. The parties shall act, to the extent reasonably possible, to minimize any such delays. In the event either party is subject to delays due to such a cause for more than sixty (60) days, either party may, at its option, terminate this Agreement for convenience upon written notice to the other, or, upon mutual agreement, extend the time for performance by the period of time equal to the time lost, whether the delay is less than sixty (60) days or not.

11. RIGHT TO AUDIT. Consultant shall:

(a) Permit during ordinary business hours for the term of this Agreement and for a period of five (5) years after final acceptance of the Services, the examination and audit by the officers, employees and representatives of the Authority of such records and books relating to the Services and also any records and books of any company which is owned or controlled by the Consultant, or which owns or controls the Consultant, if said company performs services similar to those performed by the Consultant anywhere in the State of New Jersey.

(b) If any audit pursuant to Section 11(a) requires the Authority's officers, employees and representatives to travel outside the State of New Jersey to the Consultant's principal place of business where the Consultant's records and books are maintained, then the Consultant shall bear the additional cost of the audit.

(c) The Authority shall provide reasonable prior notice to the Consultant of any anticipated audit under this Section.

12. INSURANCE. The Consultant shall procure and maintain at its own expense, for the entire term of the Agreement, insurance for liability for damages imposed by law, in accordance with Section V of the RFP.

NOTWITHSTANDING THAT MINIMUM AMOUNTS OF INSURANCE COVERAGE CARRIED OR REQUIRED TO BE CARRIED BY THE CONSULTANT ARE SPECIFIED HEREIN, THE LIABILITY OF THE CONSULTANT SHALL NOT BE LIMITED TO THE AMOUNTS SO SPECIFIED AND SHALL EXTEND TO ANY AND ALL LIABILITY IN EXCESS OF THE INSURANCE COVERAGES SO

PROVIDED NOR SHALL THESE MINIMUM LIMITS PRECLUDE THE AUTHORITY FROM TAKING ANY ACTION AVAILABLE TO IT UNDER THE PROVISIONS OF THE AGREEMENT OR OTHERWISE IN LAW OR EQUITY.

13. INDEMNIFICATION. The Consultant agrees to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them against and from all liabilities, judgments, threatened, pending or completed actions, suits, demands for damages or costs of every kind and description actually and reasonably incurred (including attorneys' fees and costs and court costs) (collectively "Liabilities") including, without implied limitations, Liabilities for damage to property or Liabilities for injury or death of the officers, agents and employees of either the Consultant or the Authority), resulting from any act or omission or willful misconduct of the Consultant or any of its officers, agents, sub-consultants, or employees in any manner related to the subject matter of this Agreement. In the event that the Consultant fails to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them in accordance with this Section, any money due to the Consultant under and by virtue of this Agreement as shall be considered necessary by the Authority may be retained by the Authority and held until any and all Liabilities shall have been settled and suitable evidence to that effect furnished to the Authority. The obligations in this Section shall survive the termination, expiration or rescission of this Agreement.

14. EEO/AFFIRMATIVE ACTION. Pursuant to *N.J.S.A.10:2-1*, the Consultant agrees that:

- It does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Employment Opportunity Commission of the United States of America, or the Division on Civil Rights of the New Jersey Department of Law and Public Safety; and that it does not discriminate against any person or persons on the basis of race, religion, color, national origin, nationality, ancestry, sex, marital status, domestic partnership status, familiar status and affectional or sexual orientation;
- It does not discriminate in the hiring of persons for the performance of work under this Agreement or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this Agreement, no Consultant, nor any person acting on behalf of such Consultant or subcontractor, shall, by reason of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;
- No Consultant, subcontractor, nor any person on his behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this Agreement or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such

Agreement, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;

- There may be deducted from the amount payable to the Consultant by the Authority, under this Agreement, a penalty of \$ 50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the Agreement; and
- This Agreement may be canceled or terminated by the Authority, and all money due or to become due hereunder may be forfeited, for any violation of this section of the Agreement occurring after notice to the Consultant from the Authority of any prior violation of this section of the Agreement.

In addition, the Consultant agrees to complete the appropriate forms attached as follows:

- (a) Mandatory Affirmative Action Language; and
- (b) State of New Jersey Affirmative Action Employee Information Report ("Form AA-302")

However, if the Consultant maintains a current Letter of Federal Approval, or a current Certificate of Employee Information Report Approval as issued by the Department of the Treasury, State of New Jersey, it may be submitted in lieu of the Form AA-302.

15. DIVISION OF REVENUE REGISTRATION. Pursuant to the terms of *N.J.S.A.* 52:32-44, the Consultant is required to provide to the Authority proof of valid business registration with the Division of Revenue in the Department of the Treasury, prior to entering into an agreement with the Authority. No agreement shall be entered into by the Authority unless the Consultant first provides proof of valid business registration. The Consultant is required to receive from any sub-consultant it uses for goods and services under this Agreement, proof of valid business registration with the Division of Revenue. No sub-consultant agreement shall be entered into on account of any agreement with the Authority unless the sub-consultant first provides proof of valid business registration.

16. CONFIDENTIALITY.

(a) Each party agrees that all information and materials shared under the terms of this Agreement are privileged and shall be held in strict confidence by the receiving party and shall only be used in connection with the purposes of this Agreement to conduct such other activities as are necessary and proper to carry out the purposes of this Agreement. Each party shall take all necessary and appropriate measures to ensure that any person who is granted access to any shared information or materials or who participates in work on common projects or who otherwise assists any counsel or technical consultant in connection with the performance of this Agreement complies with the terms of this Agreement. Each party shall protect from disclosure all information and materials shared by the parties and their respective counsel, or with technical consultants, to the fullest extent permitted by law.

(b) Upon the termination or expiration of this Agreement, to the extent reasonably practicable, confidential materials shall be returned to the disclosing party, including all copies thereof. Following termination, each party shall remain obligated to preserve the confidentiality of all confidential information received or disclosed pursuant to this Agreement.

(c) In the event information or materials disclosed under this Agreement are sought by a third party by way of subpoena, request pursuant to the Open Public Records Act, *N.J.S.A. 10:4-6 et seq.*, or by any other manner, the party receiving the request will promptly notify the other party to enable it to respond to such request and each party shall take all necessary and appropriate steps to invoke any applicable privileges to prevent disclosure, and the Consultant shall have primary responsibility to defend any attempt by a third party to obtain from the Authority any information which the Consultant considers to be confidential.

17. NEWS RELEASES. No news releases pertaining to the Services shall be made without the Authority's prior approval which shall not be unreasonably withheld, conditioned or delayed.

18. NOTICES. Any notices to the Parties pursuant to the terms of this Agreement shall be in writing and addressed to:

As to Inservco Insurance Services, Inc.: Staci Ulp
Executive VP & COO
Two North Second Street
Harrisburg, PA 17101

As to New Jersey Turnpike Authority: General Counsel
Bruce A. Harris
New Jersey Turnpike Authority
P.O. Box 5042
Woodbridge, New Jersey 07095

19. PERSONAL LIABILITY. In carrying out the provisions of this Agreement, or in exercising any power or authority granted it by its position, the Consultant agrees that neither the members of the Authority nor any officer, agent or employee of the Authority shall be personally charged by the Consultant with any liability.

20. APPLICABLE LAWS. The Consultant shall perform the Services in compliance with all applicable Federal, state, and local laws, ordinances, rules, regulations and orders.

21. GOVERNING LAW. The terms of this Agreement shall be governed by and construed under the laws of the State of New Jersey. Any action brought by either party

involving any dispute related to this Agreement shall be brought only in the Superior Court of the State of New Jersey.

22. INDEPENDENT CONSULTANT. Neither party shall be considered nor hold itself out as an agent of the other, it being acknowledged that neither party has the authority to bind the other. The Consultant shall perform the Services as an independent contractor.

23. ASSIGNMENT. This Agreement, or any part thereof, shall not be assigned by the Consultant, without the specific prior written permission of the Authority. Any attempted assignment without such prior permission shall be null and void.

24. FOREIGN CORPORATION. The Consultant agrees that, if applicable, it shall register as a "Foreign Corporation" with the Office of the Secretary of New Jersey, designating a resident agent for the service of process and shall provide written proof of such registration prior to the Authority's execution of this Agreement.

25. INTEGRATION. This Agreement, together with Exhibits A and B, constitutes the entire Agreement between the parties and supersedes all provisions, agreements, promises, representations, whether written or oral, between the parties with respect to the subject matter herein.

Should any ambiguity or conflict exist among this Agreement, Exhibit A (the RFP) and Exhibit B (the Proposal) in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the following hierarchy:

- (a) Agreement;
- (b) RFP (Exhibit A)
- (c) Proposal (Exhibit B);

26. PARTIES BOUND. This Agreement shall be binding upon the Consultant and the Authority, their respective successors and assigns.

27. SEVERABILITY. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, then, notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision did not exist herein.

28. CODE OF ETHICS. The Consultant is advised that the Authority has promulgated a Code of Ethics pursuant to the laws of the State of New Jersey, a copy of which has been previously provided. By entering into this Agreement, the Consultant agrees to be subject to the intent and purpose of said code and to the requirements of the State Ethics Commission.

29. PROFESSIONAL SERVICES AGREEMENT. This Agreement between the

parties is an Agreement for Professional Services within the meaning of the Statutes and Laws of the State of New Jersey.

30. SECTION HEADINGS. The Section headings herein contained have been inserted only as a matter of convenience or reference and in no way define, limit or describe the scope or intent of any terms or provisions of this Agreement.

[Signatures on following page]

IN WITNESS THEREOF, the Parties have caused their duly authorized representatives to execute this Agreement and to affix their respective corporate seals on the day and year first above written.

ATTEST:

Kim Schurman

Kim Schurman
Secretary to the Authority

[Corporate Seal]

NEW JERSEY TURNPIKE AUTHORITY

By: Joseph W. Mrozek

Joseph W. Mrozek
Executive Director

Approved by the Law Department

R N P

ATTEST:

Karen C. Yarrish

[Name] Karen C. Yarrish
[Title] Secretary
[Corporate Seal]

INSERVCO INSURANCE SERVICES,
INC.

By: Steven L. Vep

[Name] Steven L. Vep
[Title] Executive Vice President & COO

**NEW JERSEY TURNPIKE AUTHORITY
REQUEST FOR PROPOSAL**

FOR

**GENERAL LIABILITY, AUTOMOBILE LIABILITY,
EMPLOYMENT LIABILITY AND POLICE PROFESSIONAL
LIABILITY CLAIMS ADMINISTRATION
SERVICES**

RM-130103

FEBRUARY 2017

Table of Contents

| | |
|---|----------|
| SECTION I -- INTRODUCTION | 4 |
| SECTION II -- ADMINISTRATIVE AND CONTRACTUAL INFORMATION | 6 |
| A. Purpose..... | 6 |
| B. Inquiries..... | 6 |
| C. Closing Date..... | 6 |
| D. The Proposals..... | 7 |
| E. Proposer vs. Consultant..... | 7 |
| F. Signatures..... | 7 |
| G. Incurring Costs..... | 7 |
| H. Addendum to RFP..... | 7 |
| I. Acceptance of Proposals | 7 |
| J. Rejection of Proposals..... | 7 |
| K. Final Agreement..... | 7 |
| L. Dissemination of Information | 8 |
| M. Public Records | 8 |
| N. News Releases..... | 8 |
| O. Affirmative Action | 8 |
| P. Small Business Enterprises Requirements | 8 |
| Q. Division of Revenue Registration | 9 |
| R. State Political Contributions Notice: Public Law 2005, Chapter 51 and Executive Order 117 | 10 |
| S. Affidavit of Moral Integrity | 10 |
| T. Code of Ethical Standards..... | 10 |
| U. Tolls | 11 |
| V. Proposals Become Property of the Authority..... | 11 |
| W. Right To Audit Clause | 11 |
| X. Ownership Disclosure Form | 12 |
| Y. Vendor Disclosure Form N.J.S.A. 52:34-13.2..... | 12 |
| Z. Notice to All Proposers of Set-Off for State Tax..... | 12 |
| AA. Affidavit of Non-Collusion | 12 |
| BB. Disclosure of Investment in Iran | 12 |

| | |
|--|------------------------------|
| CC. Liabilities to the Authority | 12 |
| DD. Proposal Schedule | 12 |
| SECTION III -- SCOPE OF SERVICES | 14 |
| A. Organization and Function of the New Jersey Turnpike Authority | 14 |
| B. General Scope | 14 |
| SECTION IV – RFP RESPONSE, EVALUATION FACTORS AND CRITERIA | 21 |
| A. General | 21 |
| B. Proposals | 21 |
| C. Fee Proposal | Error! Bookmark not defined. |
| D. Evaluation Factors and Criteria..... | 23 |
| SECTION V: INSURANCE AND INDEMNIFICATION | 25 |
| A. Insurance | 25 |
| SECTION VI: CHECKLIST AND EXHIBITS | 30 |
| APPENDICES | 48 |
| APPENDIX 1 | 49 |
| DRAFT SERVICES AGREEMENT | 49 |
| APPENDIX 2 | 61 |
| State Contractor Political Contributions Compliance Public Law 2005, Chapter 51 and Executive Order 117 | 61 |

SECTION I -- INTRODUCTION

Enclosed herewith is a Request for Proposal ("RFP") by the New Jersey Turnpike Authority ("Authority") for a provider to perform third party claims administration services for the Authority's general liability, automobile, police professional and employment liability claims and to provide expert support services to the Authority's internal claims management system (as further described in Section III, the "Services"). The Successful Proposer (as hereinafter defined) will be awarded a contract (the "Services Agreement") for a term of three (3) years, with the option to extend for two (2) one-year terms at the Authority's sole discretion.

The Authority seeks proposals ("Proposals") from all interested and qualified providers ("Proposers"). Such Proposals must be responsive to all of the requirements of this RFP. The Authority intends to select one Proposer (the "Successful Proposer") to perform the Services based on the evaluation criteria set forth in Section IV.

The solicitation of Proposals is being conducted pursuant to the statutes and laws of the State of New Jersey, as found in *N.J.S.A. 27:23-6.1*, and Executive Order No. 37 (Corzine, 2006), and the regulations and policies of the Authority with regard to the procurement of professional services. Furthermore, Proposals are being solicited through a fair and open process in accordance with *N.J.S.A. 19:44A-20.1*, et seq. In addition, Proposers are required to comply with the Equal Employment Opportunity ("EEO") requirements of P.L. 1075, C.127 and (*N.J.A.C. 17:27*).

Upon review of all Proposals, the Authority may request that one or more Proposers appear for an oral presentation focusing on how their proposed approach and solution will satisfy the requirements of this RFP. The Authority may limit the number of Proposers that can make oral presentations to permit efficient competition among the most highly rated Proposals. Should an oral presentation be requested, it will be an opportunity for each invited Proposer to introduce its staff to the Authority, address how the Proposer will provide the Services, and to present supplementary information regarding its Proposal and credentials as related to the specific needs of the Authority. The Proposer may use handouts, display boards, products and other materials during this oral presentation; provided, however, that the presentation will be restricted to a maximum time period specified by the Authority, including the time allotted for a question and answer period. Information relating to the Proposer's recent experience on similar assignments, approach to the Services and the use of innovative and/or cost effective measures should be included in the oral presentation.

Proposer(s) invited to make an oral presentation may submit a best and final offer ("BAFO") either during oral presentation or within **two (2)** business days following the presentation. The BAFO can modify any aspect of the Proposal provided the RFP requirements continue to be satisfied and provided further that the revised price proposal of the BAFO is not higher than the original price proposal.

After evaluating Proposals of those invited to make an oral presentation, an evaluation committee consisting of representatives of the Authority ("Evaluation Committee") may enter into negotiations with same. The primary purpose of negotiations is to maximize the

Authority's ability to get the best value based on the requirements and evaluation criteria set forth in the RFP. Negotiations may involve the identification of significant weaknesses, ambiguities and other deficiencies in the Proposal, including price, which could preclude awarding a Services Agreement to the Proposer. More rounds of negotiations may be held with one Proposer than another. Negotiations will be structured to safeguard information and ensure that all Proposers in the competitive range are treated fairly.

After evaluation of the BAFO submissions and any subsequent negotiations, the Evaluation Committee will recommend to the Executive Director to award a contract to the Proposer whose Proposal, conforming to the RFP, is most advantageous to the Authority, price and other factors considered. The Executive Director may accept, reject or modify the recommendation of the Evaluation Committee. The Executive Director may negotiate further reductions in price with the recommended Proposer.

Negotiations will be conducted only in those circumstances where they are deemed by the Authority to be in the Authority's best interests and to maximize the Authority's abilities to get the best value. Therefore, Proposers are advised to submit their best price proposals in response to this RFP, because the Authority, may, after evaluation, make an award based solely on the content of these initial submissions, without further negotiations with the Proposer.

A DRAFT FORM OF THE SERVICES AGREEMENT IS ATTACHED. (See Appendix 1). ANY PROPOSED MODIFICATIONS TO THE SERVICES AGREEMENT MUST BE IDENTIFIED AND SUBMITTED WITH YOUR RESPONSE TO THIS RFP; OTHERWISE, BY SUBMISSION OF YOUR RESPONSE, YOU WILL BE DEEMED TO HAVE ACCEPTED THE SERVICES AGREEMENT ATTACHED HEREIN AND WILL BE FORECLOSED FROM NEGOTIATING ANY CHANGES TO THE SERVICES AGREEMENT.

End of Section I

SECTION II -- ADMINISTRATIVE AND CONTRACTUAL INFORMATION

A. Purpose

This RFP contains a Scope of Services (Section III) that outlines the Authority's needs.

B. Inquiries

ONLY type-written inquiries concerning the RFP will be accepted. They should be directed to Donna C. Wilser, Deputy Director, Procurement and Materials Management ("PMM") Department, New Jersey Turnpike Authority, P.O. Box 5042, Woodbridge, New Jersey 07095-5042. Inquiries by FAX or e-mail are acceptable. The FAX number is 732-750-5399. The email address is mcnally@turnpike.state.nj.us. The inquiry deadline is **4:30 PM E.T., February 23, 2017**. Inquiries will not be entertained after this date and time.

A PROPOSER IS NOT PERMITTED TO MAKE INQUIRIES OF OR DISCUSS OR QUESTION ANY AUTHORITY EMPLOYEE, STATE EMPLOYEE OR COUNSEL OR CONSULTANT TO THE AUTHORITY ABOUT THIS RFP WHILE THIS RFP IS OUTSTANDING, EXCEPT AS OTHERWISE SET FORTH HEREIN. IT IS NOT APPROPRIATE FOR ANY PROPOSER TO CONTACT ANY AUTHORITY COMMISSIONER OR ANY STATE OFFICIAL OR EMPLOYEE DURING THE RFP PROCESS. FAILURE TO COMPLY WITH THIS GUIDELINE MAY RESULT IN DISQUALIFICATION OF THE PROPOSER.

C. Closing Date

One (1) original and seven (7) copies, as well as three (3) copies in an electronic format of the Proposer's Proposal must be received no later than **4:30 PM E.T., March 14, 2017** addressed to: Donna C. Wilser, Deputy Director, Procurement and Materials Management Department as follows:

Regular Mail

New Jersey Turnpike Authority
P. O. Box 5042
Woodbridge, NJ 07095

Federal Express or Other Overnight Delivery

New Jersey Turnpike Authority
One Turnpike Plaza
Woodbridge, NJ 07095

Proposals not delivered by the stated time and date shall not be considered unless the time is extended by the Authority pursuant to a written addendum issued by the Authority (the "Addendum").

Proposers mailing Proposals should allow for normal mail delivery time to ensure timely receipt of their RFP Responses. Please be advised that using overnight /next-day delivery service does not guarantee overnight/next-day deliveries to our location.

D. The Proposals

It is anticipated that the Proposal will provide a concise and precise delineation of the Proposer's ability to meet all of the requirements of the Authority as provided for in this RFP.

E. Proposer vs. Consultant

The terms "Proposer", "Third Party Administrator" ("TPA") and "Consultant" are used frequently, and may be used interchangeably; however, "Proposer" is intended to identify the entity submitting a Proposal, while "Consultant" or "TPA" is the entity to whom the Services Agreement is awarded (also referred to as the Successful Proposer.)

F. Signatures

Proposals must be signed by an officer authorized to make a binding commitment for the Proposer.

G. Incurring Costs

The Authority shall not be liable for any costs incurred by any Proposer in the preparation of its Proposal.

H. Addendum to RFP

If at any time prior to receiving Proposals it becomes necessary to revise any part of this RFP, or if the Authority determines that additional information is necessary to enable Proposers to adequately interpret the provisions of this RFP, the Authority will issue an Addendum to this RFP. Upon issuance, each such Addendum shall be deemed to be a part of this RFP.

I. Acceptance of Proposals

This RFP does not commit the Authority to make an award. The contents of the Proposal shall become a contractual obligation, if, in fact, a Proposal is accepted and a Services Agreement is entered into with the Authority. The Authority may award a Services Agreement solely on the basis of the Proposal submitted without any negotiations. The Authority reserves all rights to engage in negotiations as described in Section I if it deems it in its best interests. Failure of a Proposer to adhere to and/or honor any or all of the obligations of its Proposal may result in rescission of any award of the Services Agreement by the Authority.

J. Rejection of Proposals

The Authority reserves the right to reject any and all Proposals. The Authority shall not be obligated at any time to make an award to any Proposer.

K. Final Agreement

Any Services Agreement entered into with a Successful Proposer shall be satisfactory to the Authority in accordance with the laws of the State of New Jersey. The provisions of the attached Services Agreement, not otherwise set forth in this RFP, are hereby incorporated into this RFP. It is understood that any Services Agreement that may be awarded will be on the basis of a professional agreement for services within the

intent of the statutes and laws of the State of New Jersey, including, without limitations *N.J.S.A. 27:23-6.1*.

L. Dissemination of Information

Information included in this document or in any way associated with this RFP is intended for use only by the Proposer and the Authority and is to remain the property of the Authority. Under no circumstances shall any of said information be published, copied or used, except in replying to this RFP.

M. Public Records

Any Proposal received from a Proposer in response to this RFP constitutes a public document that will be made available to the public upon request pursuant to New Jersey's Open Public Records Act, *N.J.S.A. 47:1A-1 et seq.* A Proposer may request the Authority's General Counsel to deem certain sections of its proposal containing personal, financial or proprietary information non-disclosable, which determination shall be in accordance with such act.

N. News Releases

No news releases pertaining to this RFP or any project to which it may relate shall be made without the Authority's approval.

O. Affirmative Action

The Proposer must certify that it does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Employment Opportunity Commission of the United States of America, or the Department of Civil Rights of the State of New Jersey; and that it does not discriminate against any person or persons on the basis of race, creed, age, color, sex, national origin, ancestry, marital status and affectional or sexual orientation or handicap.

In addition, the Proposer must complete the appropriate forms. The following are included in Section VI:

Exhibit A – Mandatory Equal Employment Opportunity Language

Exhibit B – Affirmative Action Information Sheet

However, if a Proposer maintains a current Letter of Federal Approval, or a current Certificate of Employee Information Report Approval as issued by the Department of the Treasury, State of New Jersey, it may be submitted in place of the State of New Jersey Affirmative Action Employee Information Report ("Form AA-302"). The appropriate form must be completed and submitted to the Authority by the Successful Proposer immediately after being notified of award of the Agreement.

P. Small Business Enterprises Requirements

It is the policy of the Authority that small businesses (each a "small business enterprise" or "SBE") as determined and defined by the State of New Jersey, Division of Minority and Women Business Development ("Division") and the New Jersey

Department of the Treasury ("Treasury") should have the opportunity to participate in Authority contracts (*N.J.A.C. 17:13-1.1, et seq.*).

To the extent the Proposer engages subcontractors or sub-consultants to perform any of the Services for the Authority pursuant to the Services Agreement, the Proposer must demonstrate to the Authority's satisfaction that a good faith effort will be made to utilize subcontractors and sub-consultants who are registered with the Division as SBEs in the State of New Jersey.

As set forth in *N.J.A.C. 17:13-4.3*, a "good faith effort" is described as follows:

1. Proposers shall attempt to locate qualified potential small business subcontractors;
2. Proposers must obtain a listing of small businesses from the Treasury website if none are known to the Proposer;
3. Each Proposer shall keep a record of its efforts, including the names of businesses contacted and the means and results of such contacts;
4. Proposers shall provide all potential subcontractors with detailed information regarding the specifications; and
5. Proposers shall attempt, wherever possible, to negotiate prices with potential subcontractors submitting higher than acceptable price quotes.

Furthermore, the Proposer shall submit proof of its subcontractors' and/or sub-consultants' SBE registrations on the form attached as Exhibit K, if applicable, and shall complete such other forms as may be required by the Authority for reporting to the State of New Jersey as to SBE participation.

Q. Division of Revenue Registration

Pursuant to the terms of *N.J.S.A. 52:32-44*, the Successful Proposer is required to provide to the Authority proof of valid business registration with the Division of Revenue in the Department of the Treasury, prior to entering into an agreement with the Authority. **The Services Agreement shall not be entered into by the Authority unless the Proposer first provides proof of valid business registration.** In addition, the Successful Proposer is required to receive from any sub-consultant it uses for goods and services under the Services Agreement, proof of valid business registration with the Division of Revenue and provide to the Authority proof thereof. The Authority shall not enter into a Services Agreement unless the sub-consultant first provides proof of valid business registration. Please include a copy of the Proposer's and any sub-consultants' Certificate of Registration with the Proposal submission. (Exhibit J).

All questions regarding this requirement should be referred to the Division of Revenue hotline at (609) 292-9292.

R. State Political Contributions Notice: Public Law 2005, Chapter 51 and Executive Order 117

The Successful Proposer will receive the applicable forms, Chapter 51 and E.O. 117, from the Authority's PMM Department to be completed and returned to the Authority for submission to the State Treasurer. Upon approval by the State Treasurer, the Authority will prepare a Service Agreement for execution. (Appendix 2)

S. Affidavit of Moral Integrity

Together with the Proposal, the Proposer must submit an Affidavit of Moral Integrity on the form attached hereto for review by the Authority's General Counsel. (Exhibit C)

T. Code of Ethical Standards

Applicants are advised that the Authority has adopted the New Jersey Uniform Code of Ethics ("Code"), a copy of which can be viewed by going to the following web site: <http://nj.gov/ethics/docs/ethics/uniformcode.pdf>. By submitting a response hereto, Proposer agrees to be subject to the intent and purpose of said Code and to the requirements of the New Jersey State ("State") Ethics Commission.

1. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by *N.J.S.A. 52:13D-13b.* and *e.*, in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by *N.J.S.A. 52:13D-13i.*, of any such officer or employee, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of *N.J.S.A. 52:13D-13g.*
2. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the Attorney General and the Executive Commission on Ethical Standards.
3. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he is employed or associated or in which he has an interest within the meaning of *N.J.S.A. 52:13D-13g.* Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding

that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

4. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
5. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the vendor or any other person.
6. The provisions cited shall not be construed to prohibit a State officer or employee or special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards may promulgate as stated above.

U. Tolls

It is the policy of the Authority not to offer toll free passage on its roadways for its contractors, providers or vendors. See *N.J.S.A. 27:23-25* and *N.J.A.C. 19:9-1.19*.

V. Proposals Become Property of the Authority

All Proposals shall become the property of the Authority upon receipt and will not be returned.

W. Right To Audit Clause

The Successful Proposer shall keep and maintain proper and adequate books, records and accounts accurately reflecting all costs and amounts billed to the Authority with regard to this RFP. The Authority, its employees, officers, or representatives shall have the right upon written request and reasonable notice, to inspect and examine all books and records related to the Successful Proposer's books and records specific to the Proposal and Agreement. Such records shall be retained by Successful Proposer for at least five (5) years after termination of the Service Agreement. In no event shall books and records be disposed of or destroyed prior to five (5) years or during any dispute or claim between the Authority and the Successful Proposer with regard to the RFP.

In accordance with the New Jersey Office of the State Comptroller ("OSC") document retention policy *N.J.S.C. 17:44-2.2*, relevant records of private vendors or other persons entering into contracts with the Authority are subject to audit or review by the New Jersey Office of the State Comptroller. Therefore, the Successful Proposer shall maintain all documentation related to products, transactions or services under this Agreement for a period of five (5) years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

X. Ownership Disclosure Form

Each Proposer shall return to the Authority with its Proposal a completed, Ownership Disclosure Form set forth as Exhibit D. Failure to include the completed and signed form may be grounds for rejection of a Proposers' Proposal.

Y. Vendor Disclosure Form N.J.S.A. 52:34-13.2

Pursuant to *N.J.S.A. 52:34-13.2*, every contract entered into by the Authority primarily for the performance of services shall specify that all services performed under the contract or performed under any subcontract awarded under the contract shall be performed within the United States. The statute requires all Proposers to disclose the origin and location of the performance of their services, including any subcontracted services that are the subject matter of the contract. Each Proposer shall return to the Authority with its Proposal as completed, dated and certified Vendor Disclosure Form set forth as Exhibit E.

Z. Notice to All Proposers of Set-Off for State Tax

Each Proposer shall return to the Authority with its Proposal a signed and dated "Notice of Set-Off for State Tax" set forth as Exhibit G which advises Proposers of the State of New Jersey's right to set-off any tax indebtedness from payments made under agreements with the Authority.

AA. Affidavit of Non-Collusion

Each Proposer shall return to the Authority with its Proposal a completed, dated, signed and witnessed Affidavit of Non-Collusion set forth as Exhibit I. Failure to include the completed and signed form may be grounds for rejection of a Proposer's Proposal.

BB. Disclosure of Investment in Iran

Pursuant to *N.J.S.A. 52:32-58*, the Proposer must certify that neither the Proposer, nor one of its parents, subsidiaries, and/or affiliates (as defined in *N.J.S.A. 52:32-56(e)(3)*), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A. 52:32-56(f)*. If the Proposer is unable to so certify, the Proposer shall provide a detailed and precise description of such activities. Each Proposer shall return to the Authority with its Proposal the completed dated form entitled "Disclosure of Investment Activities in Iran" as set forth in Exhibit F. Failure to include the completed and signed form may be grounds for rejection of Proposer's Proposal.

CC. Liabilities to the Authority

In the event of any liabilities and debts of the Proposer to the Authority, whether or not related to the Services are unpaid past their due date at the time the Proposal was submitted, a Proposer's Proposal will be rejected.

DD. Proposal Schedule

Closing Date for Submission of Inquiries (4:30 PM, E.T.)
Closing Date of Receipt of Proposals (4:30 PM, E.T.)

February 23, 2017
March 14, 2017

Oral Presentation [Tentative]
Best and Final Offers (BAFOs), if requested
Tentative Commission Approval

March 27-28, 2017
March 30-31, 2017
April 25, 2017

End of Section II

SECTION III -- SCOPE OF SERVICES

A. Organization and Function of the New Jersey Turnpike Authority

The Authority owns and operates the New Jersey Turnpike and the Garden State Parkway and owns the PNC Bank Arts Center. It was created by the New Jersey Turnpike Authority Act of 1948, as amended and supplemented *N.J.S.A. 27:23-1 et seq.* (the "Act"). The Act authorizes the Authority to construct, maintain, repair, and operate the New Jersey Turnpike, to collect tolls, and to issue Turnpike revenue bonds or notes, subject to approval of the Governor. On May 27, 2003, the Act was amended to empower the Turnpike to assume all powers, rights, obligations and duties of the New Jersey Highway Authority, which owned and operated the Garden State Parkway and owns the PNC Bank Arts Center. The Authority Board of Commissioners consists of eight members: five members appointed by the Governor, one appointed by the Governor upon the recommendation of the President of the Senate, one appointed by the Governor upon recommendation of the Speaker of the General Assembly, and the Commissioner of the State Department of Transportation. At this time, the Commissioner of the Department of Transportation serves as Chair of the Authority.

The Authority is dedicated to the safe and efficient movement of people and goods over two of the busiest toll roads in the nation, the New Jersey Turnpike and Garden State Parkway. The Authority is committed to exercising best public agency practices and, as such, is seeking a consultant to provide comprehensive third party administrative services for its various claims and litigation matters.

B. General Scope

The Authority requires world class third party claims administration services in connection with liability claims against the Authority and recognizes that the partner is integral to achieving this goal. The Successful Proposer(s) will need to provide information, as requested in Section IV, which will demonstrate a comprehensive understanding of the Authority's needs, strategic planning, superior technical expertise and disciplined execution.

The Authority appreciates the value of its relationship between it, its outside counsel, its insurer and its third party administrator of claims and litigation. The Authority encourages complete and open communications with the Successful Proposer and wishes to nurture and maintain a close, working relationship among its insurer and its outside counsel. The Authority requires a complete and responsive approach to its claims and litigation. Proposers who choose to submit a Proposal to this RFP should be prepared to offer value-added, non-standard, customized solutions to the Authority's needs, and develop creative solutions to address the Authority's need for a complete and seamless administration of its claims and litigation. The Proposer(s) will need to propose a comprehensive but practical approach to assisting the Authority in achieving these goals.

All submittals should include evidence of the Proposer's planning to obtain the best service solutions available and sufficient detail to fully explain such solutions.

The Proposers will be required to provide any or all of the Services set forth below. If the Proposer(s) deems that additional services may be required in connection with the Authority's programs, then the Proposer(s) should present those additional services and related cost, if any, in its response and it should note that they are in addition to those required. The following detailed Scope of Services is provided to enable Proposers to understand the scope of services required by the Authority and to price their submission accordingly. The Successful Proposer shall be responsible for the thorough understanding of the requirements of this RFP including any applicable codes and regulations. The Successful Proposer shall become familiar with the Authority's procedures, presentation and coordinating requirements necessary for the effective performance of the required Services.

The Successful Proposer will coordinate with Authority personnel in the Law Department and the Authority's outside counsel, as requested by the Authority. The Successful Proposer will promptly establish a means of coordinating and reporting its activities with the designated program liaison to ensure an expeditious exchange of information.

The Proposer must be able to demonstrate to the satisfaction of the Authority that the Proposer is thoroughly qualified and experienced in third-party claims administration, and capable of performing the services required by this RFP. **It is anticipated that the approximate number of claims under this program will average 200 annually with respect to the New Jersey Turnpike ("Turnpike"), and approximately 200 annually with respect to the Garden State Parkway ("Parkway"). The majority of these claims involves minimal property damage and do not result in litigation. This is an estimate only and the actual number may be greater or less.**

A. Detailed Scope

1. The Successful Proposer shall be responsible for the thorough understanding of the requirements of this RFP including any applicable codes and regulations. The Proposer shall become familiar with the Authority's procedures necessary for the effective performance of the required services.
2. The Successful Proposer will coordinate its activities with designated Authority personnel through the term of the Services Agreement. The Proposer will establish a means of coordinating with and reporting its activities to the designated Authority personnel, and should provide the Authority with regular reports on its activities in a format and content acceptable to the Authority.

3. The Successful Proposer shall dedicate sufficient resources to handle Authority claims in order to attain and maintain consistent, expedient and accurate processing of all reported claims and to deliver the full scope of services outlined herein.

B. Claims Administration

1. General. The Successful Proposer shall provide comprehensive third-party general liability, automobile liability, police professional liability, and employment claims administration services for all claims reported to the Proposer, including but not limited to the following services:
 - (a) Review incident reports and claims filed against the Authority and provide prompt written acknowledgement to claimants and the Authority of all claims;
 - (b) As directed by the Authority, review and investigate claims, including field investigation as required;
 - (c) Establish indemnity and expense reserves for each claim, with periodic review and adjustment of reserves as warranted;
 - (d) Maintain a continuous diary system with periodic reports to the Authority;
 - (e) Adjust claims within the discretionary settlement authority limits established in the sole discretion of the Authority. The Successful Proposer is anticipated to have authority to settle claims up to and including \$7,500.00, with notice to and approval of the Authority's designee. The Successful Proposer shall provide the Authority with a monthly report including these claims, in a format acceptable to the Authority;
 - (f) For those matters which exceed the \$7,500.00 settlement authority limit, prepare a detailed case summary, including a recommendation for resolution of the claim/litigation matter upon request of the Authority;
 - (g) Monitor the Authority's outside counsel's defense of all claims or litigation matters and process settlement documents;
 - (h) With notice to and approval of the Authority's designee, administer tender to and defense from other parties, and confirm when such requests have been accepted, receive requests from other parties and advise these parties of the Authority's final decision regarding tender;
 - (i) Utilize electronic technology to manage claims data, including but not limited to adjuster notes, information required for loss run reports as set required herein, and providing for "read-only" access by the Authority to all such information.

- (j) Meet with Authority personnel at least quarterly to review claims and litigation matters.

2. Professional Staff

- (a) The Proposer shall assign dedicated claims adjusters dedicated to the Authority account who will be readily available to answer questions and to consult on individual claims during normal business hours;
- (b) The Proposer's professional staff assigned to the Authority account must have a thorough understanding of New Jersey law as it pertains to public entity immunity from tort liability, specifically the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.;
- (c) The Proposer shall provide an emergency contact telephone number, for a person or persons available on a 24-hour, 7-day basis for use by the Authority in the event of major incidents on the Parkway or Turnpike which require immediate service or advice from the TPA.

3. Claim Funding

- (a) The Proposer shall establish two separate interest bearing checking accounts in the name of the New Jersey Turnpike Authority to be used solely for disbursements of indemnity and expense payments on behalf of the Authority (the "Accounts"). One Account shall be used for disbursements for claims occurring on the Turnpike; the other Account shall be used for claims occurring on the Parkway. The Authority shall deposit an amount not to exceed \$100,000 in each account upon inception of the Services Agreement to fund anticipated payments. With respect to each account, upon monthly notice from the TPA of the month ending balance of the Account, or upon other notice, as may be required, the Authority shall promptly place additional funds with the TPA in an amount sufficient to replenish the total funds placed with the TPA to equal the aforementioned amount of \$100,000. The parties, from time to time, may mutually agree to increase or decrease the aforementioned amount to accurately reflect the actual payment trends from the Accounts. Funding shall be on a check issuance basis and shall be contingent upon the Proposer providing detailed back-up information separately for the Parkway and Turnpike claims, itemizing the line items, which comprise the requested funding amount. The back-up for each account shall be provided on a weekly basis before funds are wired and must include sufficient detail to enable the Authority to identify the claimant, indemnity payment amounts and payee, and expense payment amounts and payee, set forth by policy year. Payments to attorneys must differentiate between legal fees and expenses.
- (b) The Proposer shall confirm that all requests for funding are true and correct as stated. The Proposer shall assume full responsibility for disbursement errors including, but not limited to, payments of erroneous amounts, payments to

erroneous payees, and duplicate payments. The Proposer shall rectify such errors including, but not limited to the immediate deposit into its depository bank of the exact sums of money erroneously expended from the account, the issuance of stop-payment instructions, and re-issuance of any necessary drafts, including payment of any fees associated with the Proposer's or the depository bank's error;

- (c) For each separate account, the Proposer shall provide, by a set date to be established in each subsequent month, a bank reconciliation detailing claim number, claimant name, check issue date, check number, check payee, and check payment amount for all disbursements made on behalf of the Authority, crediting of all recovery payments received and deposits made by the Authority, and identifying balance of funds for the designated time period.
- (d) Interest earned on funds deposited in the respective claims fund accounts shall be transferred to the Authority on a quarterly basis.

4. Reporting Format

- (a) The Proposer shall acquire or develop a program to convert Authority claims data into its risk management information system. The Proposer shall return all claims data to the Authority upon termination of the Services Agreement for any reason, at no cost to the Authority;
- (b) The Proposer shall provide separate monthly loss run reports for the Parkway and Turnpike claims no later than the 15th of each subsequent month which shall include the following information: claim number, claimant name, loss date, type of claim, status of claim (open or closed), brief description of claim, and total incurred (itemized by reserve, indemnity payments and expense payments). The Loss Run information shall be reported by policy year, shall indicate month-to-date, year-to-date and life-to-date cumulative amounts and shall include the total number of open and closed claims for each policy period;
- (c) The Proposer shall be capable of providing loss runs showing incurred amounts (itemized by reserve, indemnity payments and expense payments) on a calendar year basis in the event such information is requested by the Authority.
- (d) The Proposer shall provide a monthly report on settlements and litigation matters not later than the 5th of each subsequent month which shall include the following information: case name, law firm or firms handling, legal fees for that month, legal fees year to date, legal fees life to date, expenses for that month, expenses year to date, expenses life to date, settlement amount and date. The report shall be in Excel in a form acceptable to the Authority.

The Proposer is strongly advised to include within its submission sample copies of standard reports and forms used in its claims administration program.

The following is a summary of claims, by type, for the calendar years from 2013 through 2016 with respect to each Roadway:

New Jersey Turnpike

General Liability

| | |
|------|-----|
| 2016 | 146 |
| 2015 | 353 |
| 2014 | 274 |
| 2013 | 137 |

TOTAL: 910

Automobile Liability

| | |
|------|----|
| 2016 | 8 |
| 2015 | 20 |
| 2014 | 9 |
| 2013 | 13 |

TOTAL: 50

Police Professional

| | |
|------|---|
| 2016 | 0 |
| 2015 | 0 |
| 2014 | 0 |
| 2013 | 0 |

TOTAL: 0

Employment

| | |
|------|---|
| 2016 | 0 |
| 2015 | 0 |
| 2014 | 6 |
| 2013 | 2 |

TOTAL: 8

Garden State Parkway

General Liability

| | |
|------|-----|
| 2016 | 158 |
| 2015 | 232 |
| 2014 | 262 |
| 2013 | 181 |

TOTAL: 833

Automobile Liability

| | |
|------|----|
| 2016 | 17 |
| 2015 | 25 |
| 2014 | 17 |
| 2013 | 23 |

TOTAL: 82

Police Professional

| | |
|------|---|
| 2016 | 0 |
| 2015 | 0 |
| 2014 | 0 |
| 2013 | 2 |

TOTAL: 2

Employment

| | |
|------|---|
| 2016 | 0 |
| 2015 | 0 |
| 2014 | 0 |
| 2013 | 2 |

TOTAL: 2

The proposal should also include the cost for taking over and handling to conclusion the Authority's open claims for the Parkway and Turnpike, respectively, commencing on the effective date of the Service Agreement. As of 12/31/2016, the number of open claims is as follows:

New Jersey Turnpike

| | |
|----------------------|----|
| General Liability | 91 |
| Automobile Liability | 9 |
| Police Professional | 1 |
| Employment | 7 |

TOTAL: 108

Garden State Parkway

| | |
|----------------------|----|
| General Liability | 71 |
| Automobile Liability | 16 |
| Police Professional | 3 |
| Employment | 2 |

TOTAL: 92

End of Section III

SECTION IV – RFP RESPONSE, EVALUATION FACTORS AND CRITERIA

A. General

1. A Proposal is requested from the Proposer. The Proposal will detail the Proposer's experience, personnel, proposed scope and approach, and any other relevant information.
2. All portions of this RFP and the Proposal are considered to be part of the Services Agreement to be entered into between the Authority and the Successful Proposer and will be incorporated by reference.

B. Proposals

The Scope of Services (Section III) is intended to outline the Authority's needs. The Proposal should thoroughly define the Proposer's proposed scope and approach to the Services.

Required Components of the Proposal:

1. Provide an executive summary of not more than one (1) page identifying and sustaining the basis of your contention that you are the best qualified firm to provide the requested services to the Authority.
2. Provide the name, title, business address, e-mail address, telephone number and fax number of the individual the Authority should contact regarding your Proposal.
3. Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. Describe your firm's physical presence in the State of New Jersey, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.
4. Set forth fully the anticipated assigned liaison contact, professional and sub-professional staff to be used in providing the Services. Individual's background and resumes should be included, as well as their anticipated respective functions and responsibilities. Sufficient responsible and professional personnel, with complete and capable supporting staff, must be provided to perform the Services.
5. Identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve the provisions of Services to the Authority, including but not limited to conflicts with financial

advisors, law firms providing services to the State or the Authority and State employees or Authority employees.

6. Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas, or other information requests of or involving your firm or the owners, principals or employees thereof during the period beginning January 1, 2014 through the date of the Proposal. Describe the nature and status of the matter and the resolution, if any.
7. All the documents listed in the (Check List in Section VI) must be submitted in order for a Proposal to be considered responsive to this RFP.
8. The Proposer shall submit a minimum of three (3) relevant references. Proposer references shall pertain to the nature of work performed, duration of the projects, relationship between the firm and the Proposer and other considerations regarding the ability and responsibility of the Proposers that the Authority deems appropriate. Include references that demonstrate ability and qualifications to conduct governmental audits.
9. Proposers shall provide copies of audited financial statements or federal income tax returns for their firm for the past three years. Also, Proposers are encouraged to provide current independent financial ratings from New Jersey state and nationally recognized/consensus rating bureaus (e.g. AM Best, Moody's, Standard & Poor's), if applicable.

C. Fee Proposal

Proposer shall indicate the fixed annual fee (the "Fixed Annual Fee") that it proposes to charge for the provision of the Services indicated in Section III. Proposer should include their fee for years 1, 2 and 3 of the contract term. The Fixed Annual Fee shall include all professional, administrative and clerical services and all out-of-pocket expenses incurred in connection with the completion of the Services required herein. Travel costs are not reimbursable.

In addition, the Proposer should include an hourly rate for any additional services as authorized by the Authority.

Additional expenses may be approved by the Authority in extraordinary circumstances. Such approval must be received before said expenses are incurred. However, the Authority will not reimburse for the following expenses:

- Fax charges or scanning charges
- Courier charges or overnight delivery charges (unless there is prior approval.
- Cell phone or other telephone charges
- Administrative or Clerical staff time or overtime
- Rent

- Conference Rooms
- Equipment Rental
- Office Supplies
- Books and Publications
- Meals
- Cabs and/or car services
- Any surcharge over actual costs
- Mileage
- Travel time
- Time spent discussing and preparing bills or negotiating billing questions

The Authority will not pay for the attendance of more than one (1) professional at a meeting unless prior approval has been requested and received from the Authority.

The Authority reserves the right to review and adjust submitted invoices as it deems appropriate.

D. Evaluation Factors and Criteria

The Proposal will be carefully evaluated for conformance with the requirements of this RFP. Selection of a Proposer will be based upon the Proposal. Proposers will be awarded a maximum of 100 points based upon the following factors:

- | | | <u>Points</u> |
|----|--|---------------|
| 1. | Approach to the Services: | 20 |
| | <p>Evaluation will include quality and soundness of plan, general comprehension of the requirements to provide the specified services and general competence. Each Proposer is expected to provide a preliminary work schedule showing the estimated number of hours by each staff level and the timing of work.</p> | |
| 2. | Understanding the Authority's needs: | 20 |
| | <p>The Proposal shall include the Proposer's history in performing work similar in scope to the Services required in Section III. Evaluation will include the Proposer's ability to support this project as demonstrated by its proposed staffing given its existing projects, ability to complete specific assignments in timely fashion as demonstrated by similar past projects, compliance with professional errors and omissions insurance.</p> | |
| 3. | Firm Experience: | 20 |
| | <p>Evaluation will include the Proposer's experience providing similar services to other entities, especially governmental or other public agencies. Evaluation will also include review of references and financial records.</p> | |

4. Credentials of Team:

20

Evaluation will include qualifications and relevant experience of key personnel, particularly those involved in day-to-day functions. Proposers should highlight experience on similar assignments and comment on the availability of the staff listed.

5. Fees for the Services:

20

The fees shall include all professional, administrative and clerical services and all out-of-pocket expenses including but not limited to, photo copying, fax, email and computer usage, incurred in connection with the completion of the Services required herein. Travel time or costs are not reimbursable.

End of Section IV

SECTION V: INSURANCE AND INDEMNIFICATION

A. Insurance

Prior to the commencement of any activity pursuant to a contract awarded under this RFP, the Consultant shall procure and maintain at its own expense, throughout the term of any resulting contract and until acceptance by the Authority of the Services performed under such contract, or for a duration as otherwise provided herein, from an insurance carrier acceptable to the Authority, the following insurance coverages:

Commercial General Liability Insurance

1. Consultant shall maintain **commercial general liability insurance (CGL)** with a primary coverage limit of not less than **\$2,000,000 each occurrence**. CGL insurance shall be written on the latest ISO occurrence form without any added restrictions or diminution in coverage (or a substitute form providing at least equivalent coverage) and shall cover liability for bodily injury and property damage arising from premises, operations, independent contractors, products-completed operations and for liability arising from personal injury and advertising injury, and liability assumed under contract. This insurance shall also provide coverage for mental anguish or other mental injury arising from bodily injury. "The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers" shall be included as additional insureds on the latest ISO forms providing such status for ongoing operations and products-completed operations without any added restrictions or diminution in coverage (or substitute forms providing at least equivalent coverage). This insurance shall be endorsed to apply as primary insurance and not contribute with any other insurance or self-insurance programs afforded to the Authority. This insurance shall be endorsed to waive the insurance carrier's right of subrogation against The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers. **The required policy limit for this insurance can be provided by a combination of primary and excess coverages, provided that primary coverage shall be not less than \$2,000,000 and that the excess coverage shall be at least as broad as the primary policy.** This insurance shall not contain any provision under which claims made by the Authority against the Consultant would not be covered due to the operation of an insured versus insured exclusion. With respect to products and completed operations insurance, Consultant shall maintain such insurance for a period of not less than three (3) years following the termination of this Contract.

Commercial Automobile Liability Insurance

2. Consultant shall maintain **commercial automobile liability insurance** covering all vehicles owned or used by Consultant with a primary coverage limit of not less than **\$2,000,000 each occurrence**. Auto insurance shall be written on the latest ISO form without any added restrictions or diminution in coverage (or a substitute form providing at least equivalent coverage) and shall cover liability for bodily injury and property damage. This insurance shall also provide coverage for mental anguish or other mental injury arising from bodily injury. "The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers" shall be included as additional insureds. This insurance shall apply as primary insurance and not contribute with any other insurance or self-insurance programs afforded to the Authority. Such insurance shall be endorsed to waive the insurance carrier's right of subrogation against The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers. **The required policy limit for this insurance can be provided by a combination of primary and excess coverages, provided that primary coverage shall be not less than \$2,000,000 and that the excess coverage shall be at least as broad as the primary policy.** This insurance shall not contain any provision under which claims made by the Authority against the Consultant would not be covered due to the operation of an insured versus insured exclusion.

Workers' Compensation and Employers' Liability Insurance

3. Consultant shall maintain **workers' compensation and employers' liability insurance**. Employers' liability coverage shall be in a limit not less than **\$1,000,000 Bodily Injury by Disease Each Employee, \$1 million Bodily Injury by Accident-Each Accident, \$1,000,000 Bodily Injury by Disease – Policy Limit**. Workers' Compensation Insurance shall be provided in accordance with the requirements of the laws of the State of New Jersey and shall include all-states insurance to extend coverage to any state which may be interpreted to have legal jurisdiction. Such policies shall include endorsements to ensure coverage under the U.S. Longshore's and Harborworkers' Compensation Act and Maritime Act (Death on the High Seas Act) where required. The required policy limit for this employers' liability insurance can be provided by a combination of primary and excess coverages, provided that primary coverage shall be not less than \$1,000,000 and that the excess coverage shall be at least as broad as the primary policy.

Commercial Crime Insurance

4. The Consultant shall maintain **commercial crime insurance** covering the Consultant, its employees, agents and independent contractors for a minimum amount of **\$1,000,000 per occurrence**. This insurance shall be written on the latest ISO loss sustained form without any added restrictions or diminution in coverage (or a substitute form providing at least equivalent coverage). This insurance shall include coverage, at

full policy limits, for the loss of assets owned by or for which Consultant is legally liable and loss resulting from computer fraud or fraudulent transfer instructions. This insurance shall include coverage for theft of the Authority's funds by the Consultant, its employees, its agents and independent contractors. The Authority shall be named as loss payee, its interests may exist, on this insurance. This insurance shall be endorsed to waive the insurance carrier's right of subrogation against The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers. This insurance shall not contain any provision under which claims made by the Authority against the Consultant would not be covered due to the operation of an insured versus insured exclusion.

Professional Liability Insurance

5. Consultant shall maintain **Professional Liability Insurance** covering its errors and omissions and liability assumed under contract with a coverage limit of not less than \$2,000,000 **each occurrence**. "The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers" shall be included as additional insureds. This insurance shall be endorsed to apply as primary insurance and not contribute with any other insurance or self-insurance programs afforded to the Authority. This insurance shall be endorsed to waive the insurance carrier's right of subrogation against The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers. This insurance shall not contain any provision under which claims made by the Authority against the Consultant would not be covered due to the operation of an insured versus insured exclusion.
 6. Any additional insurance policies necessary to obtain required permits or otherwise comply with applicable law, ordinances or regulations regarding the performance of the Work will be provided upon request of the Authority.
 7. All insurance policies shall specify that the territorial limits shall be on a worldwide basis or as otherwise agreed with the Authority. All insurance policies shall provide that not less than 30 days advance written notice of cancellation or material change of any insurance referred to therein shall be given by registered mail to the Law Department, New Jersey Turnpike Authority at P.O. Box 5042, One Turnpike Plaza, Woodbridge, New Jersey 07095. All insurance companies providing coverage shall be authorized to do business in the State of New Jersey and maintain an A.M. Best rating of A-VII or better.
- B.** Any other insurance carried by Consultant or subcontractors shall be considered to be primary and any insurance carried by or self-insurance programs afforded to the Authority shall be considered excess and non-contributing with such primary insurance.

- C. Any other insurance carried by Consultant or subcontractors shall also contain a waiver of subrogation clause in favor of the New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers.
- D. Prior to commencing any services under this Contract and thereafter upon the Authority's request, Consultant shall furnish the Authority with a certificate(s) of insurance satisfactory to the Authority and, if requested by the Authority, applicable endorsements and/or a certified duplicate copy of the insurance policy(s) required, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth herein. The Certificates of Insurance shall state that each of the above-required policies has been amended to include the following endorsements and shall be accompanied by copies of the endorsements:
- a. "The New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers" shall be included as additional insureds." This statement is not required for the Consultant's workers' compensation and employers' liability insurance.
 - b. Thirty (30) days' notice of cancellation or material change in coverage shall be given by registered mail to the New Jersey Turnpike Authority as specified above.
 - c. All policies shall contain a waiver of subrogation clause in favor of the New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers.
 - d. With respect to all policies, the other insurance clause under each policy shall be amended to read as follows: "This policy will act as primary insurance and not contribute with policies issued to or self-insurance programs afforded to the New Jersey Turnpike Authority and its members, commissioners, officers, agents, employees, guests, consultants and volunteers"
 - e. All certificate(s) shall be mailed to: Director of Procurement and Materials Management, New Jersey Turnpike Authority, P.O. Box 5042, Woodbridge, New Jersey 07095.
- E. In the event that Consultant subcontracts any portion of its obligations pursuant to this RFP, Consultant shall require such subcontractor to comply with all of the above insurance requirements as if the subcontractor's name were substituted for any reference to Consultant. If any subcontractor cannot comply with this requirement, then such subcontractor shall be added under the Consultant's policies as an additional insured.

It is agreed and understood by the parties that the obligation of the Consultant to obtain and maintain insurance policies required in accordance with this RFP is an essential term of the RFP and that the Authority relies on the Consultant to perform such obligation. The parties further acknowledge and agree that the failure of the Authority to require strict compliance

with all the terms and conditions regarding insurance, as set forth in this RFP, and as evidenced by any Certificates of Insurance, Slips and/or Binders, copies of insurance policies, or otherwise, shall not constitute a waiver or amendment of any of the terms, conditions and requirements of this RFP regarding the provision of insurance coverage by the Consultant.

The Consultant shall ensure that the activities to be performed under this RFP do not violate the terms and conditions of any insurance policy which is or may be provided by the Consultant hereunder, and that it shall take all measures necessary to avoid any actions which may lead to cancellation or voidance of such insurance policies.

- F. In the event that the Consultant fails or refuses to maintain or renew any insurance policy required to be maintained herein, or if such policy is cancelled or modified so that the insurance does not meet the requirements contained herein, the Authority may refuse to make payment of monies due under this RFP. The Authority in its sole discretion may use such monies to purchase insurance on behalf of the Consultant or subcontractor. During any period when the required insurance is not in effect, the Authority may suspend performance of the Agreement. If the Agreement is so suspended, no additional compensation or extension of time shall be due on account of such suspension. The Authority may waive or modify any insurance requirement set forth herein.

Due to future changes in economic, financial, risk and/or insurance market conditions the Authority at its discretion may modify the above stated insurance requirements

- G. NOTWITHSTANDING THAT MINIMUM AMOUNTS OF INSURANCE COVERAGE CARRIED OR REQUIRED TO BE CARRIED BY THE CONSULTANT ARE SPECIFIED HEREIN, THE LIABILITY OF THE CONSULTANT SHALL NOT BE LIMITED TO THE AMOUNTS SO SPECIFIED AND SHALL EXTEND TO ANY AND ALL LIABILITY IN EXCESS OF THE INSURANCE COVERAGES SO PROVIDED NOR SHALL THESE MINIMUM LIMITS PRECLUDE THE AUTHORITY FROM TAKING ANY ACTION AVAILABLE TO IT UNDER THE PROVISIONS OF THE CONTRACT OR OTHERWISE IN LAW.

- H. Terms and Deductibles. The Consultant shall be responsible for any deductible or self-insured retention, exclusions or lack of coverage in the insurance policies described above. Any deductible or self-insured retention greater than \$5,000 per occurrence must be disclosed to and approved by the Authority. The Authority reserves the right to require that any deductible or self-insured retention be no greater than \$5,000 per occurrence.

End of Section V

SECTION VI: CHECKLIST AND EXHIBITS

CHECKLIST OF ITEMS

THE FOLLOWING ITEMS MUST BE SUBMITTED WITH YOUR PROPOSAL ALONG WITH THIS CHECKLIST ITSELF:

CHECK OFF AS READ, SIGNED & SUBMITTED

| | CHECK LIST | |
|----|---|--|
| A. | MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE (Professional Services) | |
| B. | AFFIRMATIVE ACTION INFORMATION SHEET | |
| C. | AFFIDAVIT OF MORAL INTEGRITY | |
| D. | OWNERSHIP DISCLOSURE FORM | |
| E. | VENDOR FIRM DISCLOSURE FORM – EXECUTIVE ORDER 129 | |
| F. | DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN | |
| G. | NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX | |
| H. | NJ ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR DISCLOSURE OF POLITICAL CONTRIBUTIONS | |
| I. | AFFIDAVIT OF NON-COLLUSION | |
| J. | NJ BUSINESS REGISTRATION CERTIFICATE | |
| K. | SMALL BUSINESS ENTERPRISE/MINORITY BUSINESS ENTERPRISE/WOMAN BUSINESS ENTERPRISE FORM | |
| L. | SMALL BUSINESS ENTERPRISE FORM SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE PARTICIPATION | |
| M. | INSURANCE (see Section V of RFP) for Insurance Requirements for the Services Agreement) Submit proof of insurance- either certificate of insurance or letter from broker with proposal. | |
| N. | FINANCIALS (Provide copies of audited financial statements or federal income tax returns for the past three years.) | |

(Firm)

(Title)

(Signature)

(Date)

(Name – please print or type)

(Telephone Number/Fax Number)

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq., N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICES AND GENERAL SERVICES AGREEMENTS

During the performance of the Services Agreement, the Contractor agrees as follows:

- A. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.
- B. The contractor or subcontractor, where applicable, will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex.
- C. The contractor or subcontractor will send to each labor union, of with which it has a collective bargaining agreement, a notice to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The contractor or subcontractor where applicable agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.
- E. The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with *N.J.A.C. 17:27-5.2*.
- F. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

- G. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personal testing conforms to the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.
- H. In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.
- I. The Contractor shall submit to the public agency, after notification of award but prior to execution of a goods and Services Agreement, one of the following three documents:
 - i. Letter of Federal Affirmative Action Plan Approval
 - ii. Certificate of Employee Information Report
 - iii. Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractor shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27**

The parties to the Services Agreement do hereby agree that the provision of *N.J.S.A. 10:5-31 et seq.* dealing with discrimination in employment on public contracts, and the rules and regulations promulgated pursuant thereunto, are hereby made a part of the Services Agreement and are binding upon them.

Submitted by:

Firm Name: _____

By: _____

Title: _____

Date: _____

EXHIBIT B

AFFIRMATIVE ACTION INFORMATION SHEET

IN ACCORDANCE WITH THE TERMS OF THE ATTACHED SERVICES AGREEMENT PROPOSERS ARE REQUIRED TO SUBMIT ONE OF THE FOLLOWING FORMS RELATING TO COMPLIANCE WITH AFFIRMATIVE ACTION REGULATIONS. PLEASE COMPLETE AND RETURN THIS FORM WITH THE PROPOSAL.

1. The Proposer has submitted a Federal Affirmative Action Plan Approval which consists of a valid letter from the Office of Federal Contract Compliance Programs (Good for one year of the date of letter).

YES _____ NO _____

If Yes, a photo copy of the Letter of Approval is to be submitted with the bid.
(OR)

2. The Proposer has submitted a Certificate of Employee Information Report pursuant to (N.J.A.C. 17.27-1.1) and The State Treasurer has approved said report.

YES _____ NO _____

If Yes, a photo copy of the Certificate is to be submitted with the bid. (Expiration Date on Certificate)

Certificate of Approval Number _____
(OR)

3. If Proposer has already submitted the Employee Information Report form to the States' Affirmative Action Office, please return a copy of it with the bid.

If you are the successful Proposer and have none of the above, please contact the Procurement and Materials Management Department at (732) 750-5300 ext. 8628 within five (5) days of notification of award for AA-302 Form. This AA-302 Form must be forwarded to the States' Affirmative Action Office with the Authority's copy (Pink) returned to the Authority's Procurement and Materials Management Department.

The signature below certifies that one of the above forms of Affirmative Action evidence has been submitted, and all information contained above is correct to the best of my knowledge.

Signed _____ Date Signed _____

Print Name and Title _____

Proposers Company Name _____

Address _____

Telephone Number _____ Fax Number _____

EXHIBIT C
AFFIDAVIT OF MORAL INTEGRITY

STATE OF _____

Ss:

COUNTY OF _____

I, _____, the _____ (Pres., Vice Pres., Owner/Partner) of

_____ (Proposer), being first duly sworn, deposes and says:

1. That the Proposer wishes to demonstrate moral integrity in accordance with the services to be rendered/goods to be provided in accordance with the Proposer's proposal.

2. That as of the date of signing this Affidavit, neither Proposer nor any of its Principals, Owners, Officers, or Directors are involved in any Federal, State or other Governmental Investigation concerning criminal or quasi-criminal violations, except as follows: **(If none, so state):**

3. Proposer further states that neither the Proposer, nor any of its Principals, Owners, Officers or Directors, has ever engaged in any violation of a Federal or State Criminal Statute; or ever been indicted, convicted, or entered a plea of guilty, *non vult* or *nolo contendere* to any violation of a Federal or State Criminal Statute; or ever engaged in violation of any nature regarding work on the Agreements performed by it, except as follows: **(If none, so state):**

4. That Proposer authorizes any depository or other agency to supply the Authority with any information necessary to verify any statement made in this Affidavit of Moral Integrity.

5. That as of the date of signing this Affidavit, outstanding liens filed against this Proposer are as follows: **(if none, so state).**

6. That the undersigned, being authorized to act on behalf of Proposer certifies that I am personally acquainted with the operations of said Proposer, have full knowledge of the factual basis comprising the contents of this Affidavit of Moral Integrity and that the same are true to my knowledge.

7. That this Affidavit of Moral Integrity is made to induce the Authority to accept the Proposer as a qualified provider of goods and/or services, knowing that the said New Jersey Turnpike Authority relies upon the truth of the statements herein contained.

Sworn and Subscribed to Before Me This

____ Day of _____ 20__

Signature

Notary Public

Title

(Corporate Seal)

EXHIBIT D**Ownership Disclosure Form**

| NEW JERSEY TURNPIKE AUTHORITY OWNERSHIP DISCLOSURE FORM | | | | |
|---|---------------|-----------------|--------------|--|
| Name of Firm: | | OPS No. | | |
| INSTRUCTIONS: Provide below the names, home addresses, dates of birth, offices held and any ownership interest of all officers of the firm named above. If additional space is necessary, provide an attached sheet. | | | | |
| Name: | Home Address: | Date of Birth: | Office Held: | Ownership Interest (shares Owned or % of Partnership): |
| | | | | |
| | | | | |
| | | | | |
| INSTRUCTIONS: Provide below the names, home addresses, dates of birth and ownership interest of all individuals not listed above, and any partnerships, corporations and any other owner having a 10% or greater interest in the firm named above. If a listed owner is a corporation or partnership, provide below the same information for the holders of 10% or more interest in that corporation or partnership. If additional space is necessary, provide that information on an attached sheet. If there are no owners with 10% or more interest in your firm, enter "NONE" below. Complete the certification at the bottom of this form. | | | | |
| Name: | Home Address: | Date of Birth: | Office Held: | Ownership Interest (shares Owned or % of Partnership): |
| | | | | |
| | | | | |
| | | | | |
| COMPLETE ALL QUESTIONS BELOW | | | YES | NO |
| 1. Within the past 5 years has another company or corporation had a 10% or greater interest in the firm identified above? (If yes, complete and attach a separate Ownership Disclosure form reflecting previous ownership interest) | | | | |
| 2. Has any person or entity listed in this form or its attachments ever been arrested, charged, indicted or convicted in a criminal or disorderly persons matter by the State of New Jersey, or any other State or the U.S. Government? (If yes, attach a detailed explanation for each instance) | | | | |
| 3. Has any person or entity listed in this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any agency of government from bidding or contracting to provide services, labor, material, or supplies? (If yes, attach a detailed explanation for each instance) | | | | |
| 4. Are there now any criminal matters or debarment proceedings pending in which the firm and/or its officers and/or managers are involved? (If yes, attach a detailed explanation for each instance) | | | | |
| 5. Has any Federal, State or Local license, permit or other similar authorization, necessary to perform the work applied for herein and held or applied for by any person or entity listed on this form, been suspended or revoked, or been the subject of any pending proceedings specifically seeking or litigating the issue of suspension or revocation? (If yes, attach a detailed explanation for each instance) | | | | |
| CERTIFICATION: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the New Jersey Turnpike Authority is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the New Jersey Turnpike Authority to notify the Authority, in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false state or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreements (s) with the New Jersey Turnpike Authority and that the Authority at its option, may declare any contract(s) resulting from this certification void and unenforceable. | | | | |
| I, being duly authorized, certify that the information supplied above, including all attached pages, is complete and correct to the best of my knowledge, I certify that all of the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment. | | | | |
| Company Name: | | Address: | | |
| Signature: | | Name: | | |
| | | (Print or Type) | | |
| Date: | | Title: | | |
| | | (Print or Type) | | |

NJTA-OD-4-2014

EXHIBIT F

NEW JERSEY TURNPIKE AUTHORITY
****NEW - DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN****

NAME OF CONTRACTOR /BIDDER: _____

PART 1: CERTIFICATION

**CONTRACTORS/BIDDERS MUST COMPLETE PART 1 BY CHECKING EITHER BOX.
FAILURE TO CHECK ONE OF THE BOXES SHALL RENDER THE PROPOSAL NON-RESPONSIVE.**

Pursuant to Public Law 2012, c. 25, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must complete the certification below to attest, under penalty of perjury, that neither the person or entity, nor any of its parents, subsidiaries, or affiliates, is identified on the Department of Treasury's Chapter 25 list as a person or entity engaging in investment activities in Iran. The Chapter 25 list follows this certification and can also be found on the State of New Jersey, Department of Treasury, Division of Purchase and Property website at <http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Contractors/Bidders **must** review this list prior to completing the below certification. **FAILURE TO COMPLETE THE CERTIFICATION WILL RENDER A CONTRACTOR'S/BIDDER'S PROPOSAL NON-RESPONSIVE.** If the Authority finds a person or entity to be in violation of law, it shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

PLEASE CHECK THE APPROPRIATE BOX:

☐ I certify, pursuant to Public Law 2012, c. 25, that neither the contractor/bidder listed above nor any of the contractor's/bidder's parents, subsidiaries, or affiliates is **listed** on the N.J. Department of the Treasury's list of entities determined to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and I am authorized to make this certification on its behalf. **I will skip Part 2 and sign and complete the CERTIFICATION below.**

OR

☐ I am unable to certify as above because the contractor/bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the Department's Chapter 25 list. I will provide a detailed, accurate and precise description of the activities in Part 2 below and sign and complete the CERTIFICATION below. **Failure to provide such will result in the proposal being rendered a non-responsive** and appropriate penalties, fines and/or sanctions will be assessed as provided by law.

**Part 2: PLEASE PROVIDE FURTHER INFORMATION RELATED TO
INVESTMENT ACTIVITIES IN IRAN**

You must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in the investment activities in Iran outlined above by completing the requested information below. Please provide thorough answers to each question. If you need to make additional entries, provide the requested information on a separate sheet

Name _____ Relationship to Contractor/Bidder _____

Description of Activities _____

Duration of Engagement _____ Anticipated Cessation Date _____

Contractor/Bidder Contact Name _____ Contact Phone Number _____

CERTIFICATION
MUST BE SIGNED BY BIDDER

I being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I attest that I am authorized to execute this certification on behalf of the above referenced person or entity. I acknowledge that the South Jersey Transportation Authority ("Authority") is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the Authority to notify the Authority in writing of any changes to the answers of information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the Authority and that the Authority at its option may declare any contract(s) resulting from this certification void and unenforceable.

FULL NAME (print): _____ SIGNATURE _____

TITLE: _____ DATE: _____



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
OFFICE OF THE DIRECTOR
33 WEST STATE STREET
P. O. BOX 039

TRENTON, NEW JERSEY 08625-0039
<https://www.njstart.gov>

Telephone (609) 292-4886 / Facsimile (609) 984-2575

CHRIS CHRISTIE
Governor

FORD M. SCUDDER
State Treasurer

KIM GUADAGNOLI
Lt. Governor

JIGNASA DESAI-MCCLEARY
Director

The following list represents entities determined, based on credible information available to the public, to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25"):

| | |
|---|---|
| 1. Bank Markazi Iran (Central Bank of Iran) | 18. Indian Oil Corporation |
| 2. Bank Mellat | 19. Khazexim P.L.C. |
| 3. Bank Melli Iran | 20. Atsire Tecnimont SpA |
| 4. Bank Tejarat | 21. Naftiran Intertrade Company (NICO) |
| 5. National Iranian Tanker Company (NITC) | 22. Oil and Natural Gas Corporation (ONGC) |
| 6. Amona | 23. Oil India Limited |
| 7. Bank Saderat PLC | 24. Persia International Bank |
| 8. Bank Sepah | 25. PetroChina Company, Ltd. |
| 9. Belaz | 26. Petróleos de Venezuela (PDVSA Petróleo, SA) |
| 10. Belneftekhim (Belarusneft) | 27. Sameh Atzar Tajik Co. (SATCO) |
| 11. China International United Petroleum & Chemicals Co., Ltd. (Unipet) | 28. Shandong FIN CNC Machine Company, Ltd. |
| 12. China National Offshore Oil Corporation (CNOOC) | 29. Shohryaro |
| 13. China National Petroleum Corporation (CNPC) | 30. SKS Ventures |
| 14. China National United Oil Corporation (ChinaOil) | 31. Som Petrol AS |
| 15. China Petroleum & Chemical Corporation (Sinopec) | 32. Zhuhai Zhenrong Company |
| 16. China Precision Machinery Import Export Corp. (CPMIEC) | |
| 17. Grimley Smith Associates | |

List Date: January 30, 2017

EXHIBIT G

NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX

Please be advised that pursuant to P.L. 1995. c. 159, effective January 1, 1996 and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership, or S corporation under the Agreement to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services or construction projects and at the same time the taxpayer, or the partner or shareholder of that entity, is indebted for any State tax, the Director of the Division of Taxation shall seek to set-off that taxpayer's, partner's or shareholder's share of the payment due to the taxpayer, partnership, or S corporation. The amount of set-off shall not allow for the deduction of any expenses or other deductions which might be attributable to a partner or shareholder subject to set-off under this act. No payment shall be made to the taxpayer, the provider of goods or services, or the contractor or subcontractor of construction projects pending resolution of the indebtedness.

The Director of Division of Taxation shall give notice to the set-off to the taxpayer, the provider of goods or services, or the contract or subcontractor of construction projects and provide an opportunity for a hearing with thirty (30) days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State pursuant to P.L. 1987, c. 184 (c.52:32-32et seq.) to the taxpayer, the provider of goods or services, or the contractor or subcontractor of construction projects shall be stayed.

"I HAVE BEEN ADVISED OF THIS NOTICE."

COMPANY _____

SIGNATURE _____

NAME _____

TITLE _____

DATE _____

EXHIBIT H

**NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR
DISCLOSURE OF POLITICAL CONTRIBUTIONS**

All business entities are advised of their responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if they receive in excess of \$50,000.00 from public entities in a calendar year. Business entities are responsible for determining if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us

**DISCLOSURE OF CONTRIBUTIONS TO NEW JERSEY ELECTION LAW ENFORCEMENT
COMMISSION IN ACCORDANCE WITH N.J.S.A. 19:44A-2027**

STATE OF _____ :SS

COUNTY OF _____

I, _____ of the _____ of _____ in the County of _____ and the State of _____ of full age, being duly sworn according to law on my oath depose and say that:

I am _____, a _____ in the firm of _____
(Name) (Title, Position, etc.)

_____, the Proposer making the Proposal in response to the Request for Proposal to Furnish and Provide the Services referenced herein; that I executed said Proposal with full authority to do so; and that the Proposer acknowledges our responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if in receipt of in excess of \$50,000.00 from public entities in a calendar year. I further acknowledge that business entities are solely responsible for determining if filing is necessary and that all statements contained in said Proposal and in this affidavit are true and correct, and made with full knowledge that the New Jersey Turnpike Authority relies upon the truth of the statements contained in said Proposal and in statements contained in this affidavit in awarding the Services Agreement for the Services.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such Services Agreement upon an agreement or understanding for commission, percentage proposerage, or contingent fee, except bona fide employees of the Proposer, and as may be permitted by law.

Print Name: _____

Subscribed and Sworn to before me this _____ day of _____ 20____

Notary Public of _____

My Commission Expires: _____

EXHIBIT I

AFFIDAVIT OF NON-COLLUSION

STATE OF :
 :
COUNTY OF :

The undersigned, being duly sworn according to law, deposes and says:

1. That, as the party submitting the foregoing Proposal, that such Proposal is genuine and not collusive or a sham; that said Proposer has not colluded, conspired, connived, or agreed, directly or indirectly, with any Proposer or person, to put in a sham Proposal or to refrain from participating in this solicitation, and has not, in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the price of affiant or of any other Proposer, or to fix any overhead, profit, or cost element of said price, or of that of any other Proposer, or to secure any advantages against the New Jersey Turnpike Authority ("Authority"), or any person interested in the proposed Services Agreement; and that all statements in said Proposal are true.
2. That he/she has not been convicted or found liable for any act prohibited by state or federal law involving conspiracy or collusion with respect to proposing or bidding on any public contract within the last three years. Such act or conviction does not automatically disqualify a Proposer, but may be grounds for administrative suspension or grounds for consideration by the Authority as to whether the Authority should decline to award the Services Agreement to such a Proposer on the basis of a lack of responsibility. If Proposer has been convicted of any act prohibited by state or federal law involving collusion with respect to proposing or bidding on any public contract within the past three years, Proposer should attach an explanation of the circumstances surrounding that conviction.

FIRM NAME

NAME

TITLE

SIGNATURE

Subscribed and sworn to and
before me this day
of , 20____.

EXHIBIT J

NJ DIVISION OF REVENUE BUSINESS REGISTRATION

[Attach]

For information regarding the New Jersey Division of Revenue Business Registration Requirement, Proposers can contact the Bureau of Client Registration at (609) 292-9292.

If you wish to file your application online, you may do so by visiting the following website:
<http://www.nj.gov/treasury/revenue/forms/njreg.pdf>

EXHIBIT K

SMALL BUSINESS ENTERPRISE / MINORITY BUSINESS / WOMAN OWNED BUSINESS

SMALL / MINORITY / WOMAN BUSINESS ENTERPRISE FORM

If Proposer is registered with the State of New Jersey as a Small Business Enterprise (SBE), and/or Certified as a Woman Business Enterprise (WBE) or Minority Business Enterprise (MBE) you must send a copy of the Registration/ Certification Form with your Proposal. Please check off the gross receipt category of your business if registered as an SBE

- SBE CATEGORY 1 \$0- \$500,000 _____
- SBE CATEGORY 2 \$500,001 thru \$5,000,000 _____
- SBE CATEGORY 3 \$5,000,001 thru \$12,000,000 _____
- NOT APPLICABLE _____

SBE Registration # _____

Please check below if applicable

Woman Business Enterprise _____ Minority Business Enterprise _____

Proposer Name: _____

EXHIBIT L

SMALL BUSINESS ENTERPRISE FORM

**SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE
PARTICIPATION**

**SMALL BUSINESS ENTERPRISE FORM
SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE
PARTICIPATION**

| NAME & ADDRESS OF SBE (SUB)CONSULTANT SUPPLIER | TYPE OF WORK TO BE PERFORMED | ESTIMATED PERCENTAGE OF (SUB)CONSULTANT WORK |
|---|---------------------------------|---|
| | | |
| | | |
| | | |
| | | |
| | | |

(Attach additional sheet if necessary)

Proposer (Print Name)

Proposer's SBE Liaison officer (if applicable)

Telephone Number

All Proposers must complete and submit this form with their Proposal (if no subcontracting is involved state so.)

EXHIBIT M

[Attach Certificate of Insurance or Letter from Broker]

EXHIBIT N

[Attach Audited Financial Statements or Federal Income Tax Returns for the Past 3 years]

APPENDICES

- 1. Draft Services Agreement**
- 2. State Contractor Political Contribution Compliance Public Law 2005, Chapter 51 and Executive Order 117**

APPENDIX 1
DRAFT SERVICES AGREEMENT

AGREEMENT FOR THIRD PARTY CLAIMS ADMINISTRATION SERVICES_

THIS SERVICES AGREEMENT (the "Agreement") is dated and effective _____, 201_ by and between the New Jersey Turnpike Authority, a body corporate and politic of the State of New Jersey, with its principal offices located at One Turnpike Plaza, Woodbridge, New Jersey 07095 (the "Authority"); and _____, a _____ of the State of _____, having its principal offices at _____ (the "Consultant").

WITNESSETH:

WHEREAS, the Authority requires the services of a professional firm with adequate staff and experience to provide third party claims administration services for the Authority's general liability, automobile, police professional and employment liability claims and to provide expert support services to the Authority's internal claims management system ; in accordance with a Request for Proposal, dated as of _____ (collectively, with all addenda, the "RFP", attached hereto as Exhibit A); and

WHEREAS, the Consultant is a professional company which is proficient in _____ and has submitted to the Authority a written proposal, dated _____; and

WHEREAS, the Consultant was invited to make an oral presentation to the Authority on _____, following which the Consultant was further invited to submit a best and final offer ("BAFO"); and

WHEREAS, on _____, the Consultant submitted in writing a BAFO which clarified and expanded upon the statements contained in the aforesaid _____ proposal (collectively, with the initial _____ proposal dated _____, 20__ , the "Proposal", attached hereto as Exhibit B); and

WHEREAS, the Authority evaluated the Proposal in accordance with the criteria stated in the RFP and, after comparison with other submitted proposals was deemed to be the most advantageous to the Authority; and

WHEREAS, on _____ the Authority adopted Agenda Item _____ awarding a professional services contract to the Consultant; and

WHEREAS, the Authority wishes to memorialize and enter into this Agreement with the Consultant setting forth the terms and conditions of the parties' rights and obligations with respect to the procurement of the services as hereinafter defined;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:1. **DEFINITIONS.**

"Authority" shall mean the New Jersey Turnpike Authority as established in accordance with *N.J.S.A. 27:23-1, et seq.*, and shall be the members of the Authority acting in accordance with said statute.

"Consultant" shall mean _____, with its principal offices located at _____.

"Completion Consultant" shall mean the consultant that the Authority selects and uses, pursuant to Section 8 of the Agreement, to complete the Services upon termination of the Consultant pursuant to Section 7 hereof.

"Director" shall refer to the Authority's General Counsel or his/her designee acting on his/her behalf as employees of the Authority with regard to this Agreement.

"Services" shall refer to _____ in accordance with the Proposal and the RFP. The RFP and the Proposal are incorporated by reference into this Agreement and attached thereto as Exhibits A and B, respectively.

All other defined terms as used in this Agreement and not defined herein shall have the same meaning as defined and used in the RFP (Exhibit A) or the Proposal (Exhibit B), as the case may be.

2. COMPENSATION.

(a) The authorized amount of compensation to be paid to the Consultant under this Agreement shall be a [fixed] fee of \$_____ for _____ [and an amount not to exceed \$_____ for _____] in accordance with the Proposal. Payments shall include all professional fees, administrative service fees and all material expenses. The Authority shall have the right to audit all payroll and direct costs or expenses of the Consultant in accordance with Section 11 of this Agreement. The Consultant shall keep available, for Authority inspection, records of all costs and expenses for a period of not less than five (5) years after the term of this Agreement.

(b) No increase in the fees or expenses set forth in Section 2(a) hereof shall take effect unless such increased fees or expenses are approved by the members of the Authority in accordance with the statutes and laws of the State of New Jersey. The Consultant acknowledges and agrees to its responsibility to maintain control of all fees and expenses, and further acknowledges and agrees that the total compensation in the amount of \$_____ is a total amount not to be exceeded and is sufficient to complete the Services under the terms of this Agreement.

(c) Any payments made to the Consultant by the Authority under the terms of this

Agreement shall not be deemed a waiver of the Authority's right to seek damages for remediation in the event there are any deficiencies in the Services.

(d) In the event of any conflicting claim or claims by the Consultant regarding the right to receive payments that may be due, or to become due, from the Authority under the terms of this Agreement, the Authority may withhold the amount of payments pertinent to such conflicting claim or claims, as determined by the Authority, until such dispute, or disputes, be finally resolved to the reasonable satisfaction of the Authority.

3. STANDARD OF CARE. The Director may disapprove any item of Service rendered by the Consultant if it is not in accordance with the requirements of the Agreement or the standard of care of the Consultant as set forth herein. The Consultant represents and warrants that it shall exercise that degree of care and skill ordinarily exercised under similar circumstances by members of its profession performing the kind of services hereunder and practicing in the same or similar locality at the same time. In the event of non-fulfillment of the foregoing warranty, upon written demand of the Authority, the Consultant shall perform such corrective services (within the original scope of work) as may be necessary to conform to the foregoing warranty; provided further however, it is understood that the Director shall have the right throughout the term of the Agreement to review the Consultant's work and request reasonable remedial efforts and corrections, provided that such changes or corrections are substantially consistent with the RFP and the Proposal, and are limited to ensuring that the Consultant has provided the Services in accordance with the requirements of this Agreement and this standard of care. All costs incurred by the Consultant in performing any corrective Services shall be borne by the Consultant.

4. SERVICES. The Consultant represents itself to be experienced and competent to perform the Services in accordance with the requirements of this Agreement and the Standard of Care set forth in Section 3 herein. The Consultant agrees that the Services to be performed hereunder shall be those specified in the RFP and the Proposal. Should any ambiguity or conflict exist among the Agreement, the RFP, and the Proposal in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the hierarchy set forth in Section 25.

5. TERM. This Agreement shall be in effect for a period of three (3) year(s) from the effective date of this Agreement. This Agreement also provides the Authority with the option for two (2) additional (1) year extension(s) of the Services with the concurrence of the Consultant for additional services necessary or incidental to the subject matter of this Agreement. During the term of the Agreement the Authority will have the right to procure additional services at the pricing and in conformity with the Services outlined in the Proposal.

6. PERSONNEL. The Consultant agrees that the key personnel identified in the Proposal will be those individuals that are assigned to the Services, and that the assignment of such individuals is a material term of this Agreement. The Consultant

agrees to promptly notify the Authority in writing of the identity of any individuals that it desires to assign to perform the Services as a replacement for, or in addition to, the key individuals named and listed in the Proposal. All replacements shall be subject to the approval of the Authority; provided, however, that such approval will not be unreasonably withheld if any replacement possesses qualifications and experience that are equal to, or greater than, the subject of the replacement.

7. TERMINATION. This Agreement at the discretion of the Authority may be terminated or suspended by the parties pursuant to the following terms and conditions;

(a) The Authority may terminate the Agreement as follows:

- (i) Immediately upon failure by the Consultant to remedy a material breach of its obligations under of this Agreement within five (5) days of the date of written notice from the Authority of such material breach;
- (ii) For convenience, upon thirty (30) days prior written notice by Authority;
- (iii) If the Consultant shall become insolvent or make an assignment for the benefit of the creditors or files a voluntary petition in bankruptcy, or if any involuntary petition in bankruptcy is filed against the Consultant and the act of bankruptcy alleged is not removed or dismissed within sixty (60) days;
- (iv) Immediately upon the indictment of an owner of Consultant.

Then and in such case, the Authority may at its option forthwith terminate this Agreement;

(b) The Consultant may terminate the Agreement as follows:

- (i) Upon thirty (30) days prior written notice to the Authority from the Consultant upon failure to remedy a material breach of its obligations under this Agreement within thirty (30) days of the written notice from the consultant to cure such material breach;

8. RIGHTS UPON TERMINATION. In the event of a termination, pursuant to Section 7 hereof, the total amount paid to the Completion Consultant exceeds the compensation stated in this Agreement, the Consultant shall pay the Authority any reasonable excess cost incurred by the Authority as a result of engaging the Completion Consultant.

9. OBLIGATION FOR TRANSITION. At such time as this Agreement is terminated, whether pursuant to Section 7 hereof or by the expiration of the term and/or extension of the term pursuant to Section 5 hereof, the Consultant will make all reasonable efforts, in cooperation with the Authority and such parties as may be selected by the Authority to perform the Services after the termination of this Agreement

in order to effect a smooth transition of services. In furtherance of this commitment, the Consultant shall, for example, but without limitation, retain and timely transfer all relevant files (including electronic files) to the appropriate recipient, confer with the Authority, and with any other party at the Authority's instruction.

10. FORCE MAJEURE. Neither party shall be liable for any delays or failure in performance due to causes beyond its control, including but not limited to, acts of any government, war, natural disasters, strikes, civil disturbances, fires, equipment failure or failures of third parties to provide (or delays in so providing) equipment, software or services. The parties shall act, to the extent reasonably possible, to minimize any such delays. In the event either party is subject to delays due to such a cause for more than sixty (60) days, either party may, at its option, terminate this Agreement for convenience upon written notice to the other, or, upon mutual agreement, extend the time for performance by the period of time equal to the time lost, whether the delay is less than sixty (60) days or not.

11. RIGHT TO AUDIT. Consultant shall:

(a) Permit during ordinary business hours for the term of this Agreement and for a period of five (5) years after final acceptance of the Services, the examination and audit by the officers, employees and representatives of the Authority of such records and books relating to the Services and also any records and books of any company which is owned or controlled by the Consultant, or which owns or controls the Consultant, if said company performs services similar to those performed by the Consultant anywhere in the State of New Jersey.

(b) If any audit pursuant to Section 11(a) requires the Authority's officers, employees and representatives to travel outside the State of New Jersey to the Consultant's principal place of business where the Consultant's records and books are maintained, then the Consultant shall bear the additional cost of the audit.

(c) The Authority shall provide reasonable prior notice to the Consultant of any anticipated audit under this Section.

12. INSURANCE. The Consultant shall procure and maintain at its own expense, for the entire term of the Agreement, insurance for liability for damages imposed by law, in accordance with Section V of the RFP.

NOTWITHSTANDING THAT MINIMUM AMOUNTS OF INSURANCE COVERAGE CARRIED OR REQUIRED TO BE CARRIED BY THE CONSULTANT ARE SPECIFIED HEREIN, THE LIABILITY OF THE CONSULTANT SHALL NOT BE LIMITED TO THE AMOUNTS SO SPECIFIED AND SHALL EXTEND TO ANY AND ALL LIABILITY IN EXCESS OF THE INSURANCE COVERAGES SO PROVIDED NOR SHALL THESE MINIMUM LIMITS PRECLUDE THE AUTHORITY FROM TAKING ANY ACTION AVAILABLE TO IT UNDER THE PROVISIONS OF THE AGREEMENT OR OTHERWISE IN LAW OR EQUITY.

13. INDEMNIFICATION. The Consultant agrees to defend, indemnify and save

harmless the Authority, its officers, employees, and agents and each and every one of them against and from all liabilities, judgments, threatened, pending or completed actions, suits, demands for damages or costs of every kind and description actually and reasonably incurred (including attorneys' fees and costs and court costs) (collectively "Liabilities") including, without implied limitations, Liabilities for damage to property or Liabilities for injury or death of the officers, agents and employees of either the Consultant or the Authority), resulting from any act or omission or willful misconduct of the Consultant or any of its officers, agents, sub-consultants, or employees in any manner related to the subject matter of this Agreement. In the event that the Consultant fails to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them in accordance with this Section, any money due to the Consultant under and by virtue of this Agreement as shall be considered necessary by the Authority may be retained by the Authority and held until any and all Liabilities shall have been settled and suitable evidence to that effect furnished to the Authority. The obligations in this Section shall survive the termination, expiration or rescission of this Agreement.

14. EEO/AFFIRMATIVE ACTION. The Consultant agrees that it does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Employment Opportunity Commission of the United States of America, or the Division on Civil Rights of the New Jersey Department of Law and Public Safety; and that it does not discriminate against any person or persons on the basis of race, religion, color, national origin, nationality, ancestry, sex, marital status, domestic partnership status, familiar status and affectional or sexual orientation.

In addition, the Consultant agrees to complete the appropriate forms attached as follows:

- (a) Mandatory Affirmative Action Language; and
- (b) State of New Jersey Affirmative Action Employee Information Report ("Form AA-302")

However, if the Consultant maintains a current Letter of Federal Approval, or a current Certificate of Employee Information Report Approval as issued by the Department of the Treasury, State of New Jersey, it may be submitted in lieu of the Form AA-302.

15. DIVISION OF REVENUE REGISTRATION. [Pursuant to the terms of *N.J.S.A. 52:32-44*, the Consultant is required to provide to the Authority proof of valid business registration with the Division of Revenue in the Department of the Treasury, prior to entering into an agreement with the Authority. No agreement shall be entered into by the Authority unless the Consultant first provides proof of valid business registration. The Consultant is required to receive from any sub-consultant it uses for goods and services under this Agreement, proof of valid business registration with the Division of Revenue. No sub-consultant agreement shall be entered into on account of any agreement with the Authority unless the sub-consultant first provides proof of valid business registration.

16. CONFIDENTIALITY.

(a) Each party agrees that all information and materials shared under the terms of this Agreement are privileged and shall be held in strict confidence by the receiving party and shall only be used in connection with the purposes of this Agreement to conduct such other activities as are necessary and proper to carry out the purposes of this Agreement. Each party shall take all necessary and appropriate measures to ensure that any person who is granted access to any shared information or materials or who participates in work on common projects or who otherwise assists any counsel or technical consultant in connection with the performance of this Agreement complies with the terms of this Agreement. Each party shall protect from disclosure all information and materials shared by the parties and their respective counsel, or with technical consultants, to the fullest extent permitted by law.

(b) Upon the termination or expiration of this Agreement, to the extent reasonably practicable, confidential materials shall be returned to the disclosing party, including all copies thereof. Following termination, each party shall remain obligated to preserve the confidentiality of all confidential information received or disclosed pursuant to this Agreement.

(c) In the event information or materials disclosed under this Agreement are sought by a third party by way of subpoena, request pursuant to the Open Public Records Act, *N.J.S.A. 10:4-6 et seq.*, or by any other manner, the party receiving the request will promptly notify the other party to enable it to respond to such request and each party shall take all necessary and appropriate steps to invoke any applicable privileges to prevent disclosure, and the Consultant shall have primary responsibility to defend any attempt by a third party to obtain from the Authority any information which the Consultant considers to be confidential.

17. NEWS RELEASES. No news releases pertaining to the Services shall be made without the Authority's prior approval which shall not be unreasonably withheld, conditioned or delayed.

18. NOTICES. Any notices to the Parties pursuant to the terms of this Agreement shall be in writing and addressed to:

As to [Consultant]:

As to New Jersey Turnpike Authority:

General Counsel
Bruce A. Harris
New Jersey Turnpike Authority
P.O. Box 5042
Woodbridge, New Jersey 07095

19. PERSONAL LIABILITY. In carrying out the provisions of this Agreement, or in exercising any power or authority granted it by its position, the Consultant agrees that neither the members of the Authority nor any officer, agent or employee of the Authority shall be personally charged by the Consultant with any liability.

20. APPLICABLE LAWS. The Consultant shall perform the Services in compliance with all applicable Federal, state, and local laws, ordinances, rules, regulations and orders.

21. GOVERNING LAW. The terms of this Agreement shall be governed by and construed under the laws of the State of New Jersey. Any action brought by either party involving any dispute related to this Agreement shall be brought only in the Superior Court of the State of New Jersey.

22. INDEPENDENT CONSULTANT. Neither party shall be considered nor hold itself out as an agent of the other, it being acknowledged that neither party has the authority to bind the other. The Consultant shall perform the Services as an independent contractor.

23. ASSIGNMENT. This Agreement, or any part thereof, shall not be assigned by the Consultant, without the specific prior written permission of the Authority. Any attempted assignment without such prior permission shall be null and void.

24. FOREIGN CORPORATION. The Consultant agrees that, if applicable, it shall register as a "Foreign Corporation" with the Office of the Secretary of New Jersey, designating a resident agent for the service of process and shall provide written proof of such registration prior to the Authority's execution of this Agreement.

25. INTEGRATION. This Agreement, together with Exhibits A and B, constitutes the entire Agreement between the parties and supersedes all provisions, agreements, promises, representations, whether written or oral, between the parties with respect to the subject matter herein.

Should any ambiguity or conflict exist among this Agreement, Exhibit A (the RFP) and Exhibit B (the Proposal) in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the following hierarchy:

- (a) Agreement;
- (b) RFP (Exhibit A)
- (c) Proposal (Exhibit B);

[Notwithstanding the foregoing, the following sections of the Proposal shall take precedence over Section _____ of the RFP.]

26. PARTIES BOUND. This Agreement shall be binding upon the Consultant and the Authority, their respective successors and assigns.

27. SEVERABILITY. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, then, notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision did not exist herein.

28. CODE OF ETHICS. The Consultant is advised that the Authority has promulgated a Code of Ethics pursuant to the laws of the State of New Jersey, a copy of which has been previously provided. By entering into this Agreement, the Consultant agrees to be subject to the intent and purpose of said code and to the requirements of the State Ethics Commission.

29. PROFESSIONAL SERVICES AGREEMENT. This Agreement between the parties is an Agreement for Professional Services within the meaning of the Statutes and Laws of the State of New Jersey.

30. SECTION HEADINGS. The Section headings herein contained have been inserted only as a matter of convenience or reference and in no way define, limit or describe the scope or intent of any terms or provisions of this Agreement.

[Signatures on following page]

IN WITNESS THEREOF, the Parties have caused their duly authorized representatives to execute this Agreement and to affix their respective corporate seals on the day and year first above written.

ATTEST:

NEW JERSEY TURNPIKE AUTHORITY

Kim Schurman
Secretary to the Authority

[Corporate Seal]

By: _____
Joseph W. Mrozek
Executive Director

Approved by the Law Department

ATTEST:

NAME OF CONSULTANT

[Name]
[Title]
[Corporate Seal]

By: _____
[Name]
[Title]

Services Agreement

Exhibit A

[RFP]

Services Agreement

Exhibit B

[Proposal]

APPENDIX 2

State Contractor Political Contributions Compliance Public Law 2005, Chapter 51 and Executive Order 117

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Executive Order 134 (McGreevey) was signed on September 22, 2004 and became effective October 15, 2004. EO134 was applicable to all State agencies, the principal departments of the executive branch, any division, board, bureau, office, commission within or created by a principal executive branch department, and any independent State authority, board, commission, instrumentality or agency. EO134 was superseded by P.L. 2005, c. 51, signed into law on March 22, 2005 ("Chapter 51"). In September 2008, Executive Order 117 (Corzine) was signed and became effective November 15, 2008. EO117, which applies only prospectively, extends Chapter 51's political contribution restrictions by expanding the definition of "business entity" to include, for example, more corporate shareholders and sole proprietors. EO117 and Chapter 51 contain restrictions and reporting requirements that will necessitate a thorough review of their provisions by bidders.

Pursuant to the requirements of Chapter 51 and EO117, the terms and conditions set forth in this Appendix are material terms of any contract entered into by the Authority.

DEFINITIONS

For the purpose of this Appendix, the following shall be defined as follows:

a) **"Contribution"** – means a contribution reportable by the recipient under the New Jersey Campaign Contributions and Expenditures Reporting Act, P.L. 1973, c. 83, *N.J.S.A. 19:44A-1 et seq.*, and implementing regulations set forth at *N.J.A.C. 19:25-7* and *N.J.A.C. 19:25-10.1 et seq.*, made on or after October 15, 2004. As of January 1, 2005, contributions in excess of \$300 are reportable.

b) **"Business Entity"** – means any natural or legal person; business corporation (and any officer, person, or business entity that owns or controls 10% or more of the corporation's stock); professional services corporation (and any of its officers or shareholders); limited liability company (and any members); general partnership (and any partners); limited partnership (and any partners); in the case of a sole proprietorship: the proprietor; a business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, including its principals, officers, or partners. The definition of a business entity also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse, civil union partner or child, residing in the same household, except for

contributions by spouses, civil union partners, or resident children to a candidate for whom the contributor is eligible to vote, or to a political party committee within whose jurisdiction the contributor resides.

PROHIBITION ON THE AGREEMENTS/BREACH OF EXISTING THE AGREEMENT

As set forth in Chapter 51 and EO117, the Authority shall not enter into a the Agreement to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal political party committee, or legislative leadership committee during specified time periods.

Further, it shall be a breach of the terms of any contract with the Authority for any Business Entity who has been awarded the contract, during the term of the contract or any extension thereof, to:

- (i) make or solicit a contribution in violation of Chapter 51 or EO117;
- (ii) knowingly conceal or misrepresent a contribution given or received;
- (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal party committee, or legislative leadership committee;
- (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the Business Entity itself, would subject that entity to the restrictions of Chapter 51 or EO117;
- (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- (vii) engage in any exchange of contributions to circumvent the intent of Chapter 51 or EO117; or
- (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of Chapter 51 or EO117.

CERTIFICATION AND DISCLOSURE REQUIREMENTS

Prior to the award of any contract or agreement, the Authority shall notify any Business Entity to which it intends to award a contract of the need to submit to the Authority a completed Certification and Disclosure of Political Contributions form, as issued by the State Treasurer. **The intended awardee will receive the applicable form from the Authority's Procurement and Materials Management Department to be completed and returned to the Authority for submission to the State Treasurer.**

In completing this form, the Business Entity must certify that no contributions prohibited by Chapter 51 or EO117 have been made by the Business Entity and must report all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C. § 527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the meaning of *N.J.S.A. 19:44A-3(n)* and *N.J.A.C. 19:25-1.7*. Failure to submit the required forms will preclude award of the contract at issue, as well as future contract opportunities.

Upon approval by the State Treasurer, the Authority will prepare the Services Agreement for execution. However, if the State Treasurer determines that any contribution or action by a Business Entity poses a conflict of interest in the awarding of the contract or agreement at issue, the State Treasurer shall disqualify the Business Entity from award of such contract.

Once approved by the State Treasurer, a Business Entity's Political Contributions Certification is valid for a two (2) year period from the date of approval. If, prior to the award of a contract, the State Treasurer confirms to the Authority that the intended awardee has an approved certification that will remain valid for the term of the contract, the Authority may waive the requirement that the awardee complete an additional Certification and Disclosure of Political Contributions form.

Any Business Entity entering into a contract with the Authority is required, on a continuing basis, to report to the Authority any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. Such reports shall be subject to review by the Authority and the State Treasurer. If the State Treasurer determines that any such contribution poses a conflict of interest, such contribution shall be deemed a material breach of the contract or agreement at issue.

Harrisburg Office
Post Office Box 3899
Harrisburg, PA 17105-3899
717.230.8300 Phone
800.356.0438 Phone
866.356.0438 Fax

www.inservco.net

Pittsburgh Office
Post Office Box 3899
Harrisburg, PA 17105-3899
412.247.4565 Phone
800.222.0355 Phone
866.497.4764 Fax



April 3, 2017

Donna C. Wilser, Deputy Director
Procurement & Materials Management
New Jersey Turnpike Authority
Administrative Building
581 Main Street, P.O. Box 5042
Woodbridge, NJ 07095

Re: Best and Final Offer for Third Party Administration Services for General Liability, Police Professional Liability and Employment Liability Claims

Dear Donna:

Inservco understands the Authority utilizes its own Professional Services Agreement and has no proposed exceptions to the contract as presented.

Our understanding of the New Jersey Turnpike Authority comes from our experience as a company in managing the Authority's self-insured liability program for the past 18 years. Inservco has retained a wealth of specific information on the wants and needs of the Authority and how they would like to operate their program.

Inservco's best and final offer will remain the same as submitted in our proposal (see attachment).

We appreciate and thank you for your past 18 years of working with Inservco and look forward to the opportunity of continuing our successful relationship.

Sincerely,

A handwritten signature in black ink, appearing to read 'Staci L. Ulp'.

Staci L. Ulp, AIC
Executive Vice President & COO
Enclosure

| Annual Flat Fee | Year 1 | Year 2 | Year 3 |
|-----------------|----------|-----------|-----------|
| Annual Flat Fee | \$99,050 | \$101,030 | \$103,050 |

Inservco will provide the following services for these fees:

- Aggressive management of **all new and existing liability claims**.
- Staffing as requested in the RFP.
- Issue all payments.
- Monthly loss runs reports and standard computer reports.
- Monthly check registers.
- Complete and file mandated claim forms.
- Coordinate litigated claims with attorney.
- Coordinate claims with excess carrier.
- Coordinate needs with private investigator.
- Enter all claims data into our Pyramid System.
- Investigate and pursue subrogation potential on all claims with no additional recovery fees.
- Investigate and pursue fraudulent activities.

Allocated Expenses

The claims management fee does not include usual allocated expenses, such as attorneys' fees, outside appraisal costs, photographers' fees, travel expenses for witnesses, surveillance performed by independent professional surveillance firms, Medicare set-aside costs, independent medical examinations for claim evaluation and defense purposes, PPO Network discounts or access fee, bill repricing, telephonic case management, field case management, court reporters' fees and court costs or defense of any claim.

Safety Management Fee: \$115 per hour.



**Request for Proposals
New Jersey Turnpike Authority
General Liability, Automobile
Liability, Employment Liability
and Police Professional Liability
Claims Administration**



RFP – RM-130103

Third Party Claims Administration

March 20, 2017 - 4:30 PM

Original

Highlights:

- **37 Years of TPA Experience**
- **Longevity & Experience of Staff**
- **Extensive Technology Capability**
- **\$1.6 Billion Parent Company Backing**

Proprietary and Confidential



Table of Contents

| | |
|--|-----------|
| A. General | 3 |
| 1. Experience, Personnel, Scope & Approach | 3 |
| 2. RFP/Proposal Part of Services Agreement | 4 |
| B. Proposals | 4 |
| 1. Executive Summary | 8 |
| 2. Inservco' Contact | 9 |
| 3. Firm Description | 9 |
| 4. Staff | 13 |
| 5. Conflicts of Interest | 15 |
| 6. Litigation | 16 |
| 7. Required Documents | 16 |
| 8. References | 16 |
| 9. Financial Statements | 19 |
| C. Fee Proposal | 19 |
| Appendix | 22 |

A. General

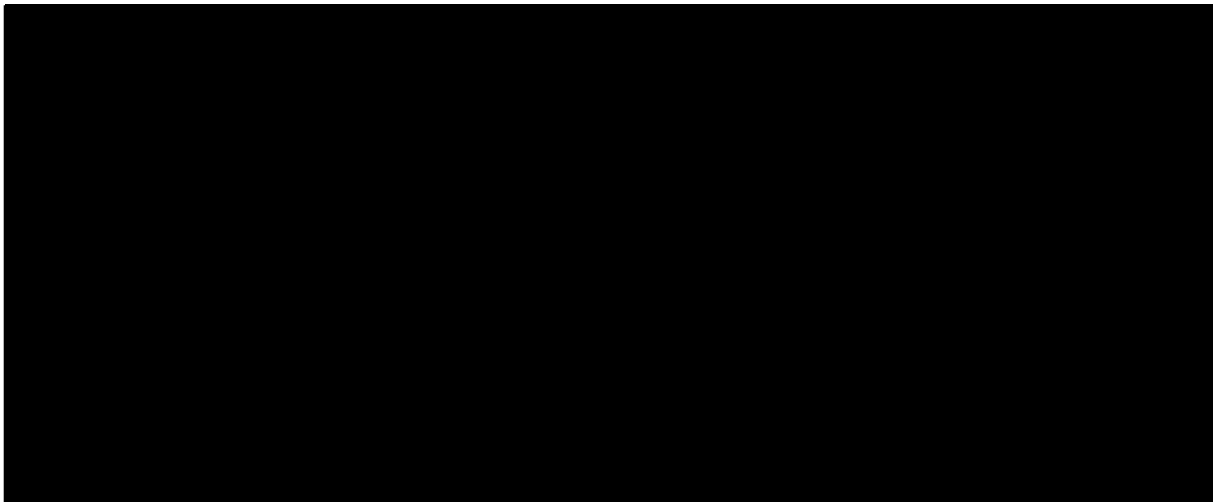
1. A Proposal is requested from the Proposer. The Proposal will detail the Proposer's experience, personnel, proposed scope and approach, and any other relevant information.

Inservco is proud of the experience and reputation it has earned within the public entity marketplace. As a result, we feel that our well established credentials enable us to serve the best interests of each client and qualify as a TPA of choice. The following information will serve to illustrate our ability to service and meet the needs of the New Jersey Turnpike. Inservco can meet or exceed the service requirements listed in this RFP.

Inservco has over 700 customers in Pennsylvania and New Jersey comprising a prestigious portfolio of large, sophisticated and complex self-insured programs.

Throughout New Jersey and Pennsylvania Inservco works with over 84 school boards, 63 multi-location employees and 303 government employers, two of which are at the State level of government, 15 at the County level and 36 at the City level, along with 250 other municipalities.

Our understanding of the New Jersey Turnpike Authority comes from our experience as a company in managing the Authority's self-insured liability program for the past 17 years. Inservco has retained a wealth of specific information on the wants and needs of the Authority and how they would like to operate their program. **The New Jersey Turnpike Authority (over 700 workers', auto and general liability claims per year)** represents a State related account that Inservco administers the self-insured workers' compensation and liability programs.



Together all of these accounts represent sophisticated, efficient, groups with high expectations and aggressive goals for their memberships or employees. Over the years Inservco as their claims administrator has met or exceeded their high program standards and expectations.

Our other New Jersey references that we have listed represent our municipal, JIF, county and other public entity experience. Many of these customers have been with Inservco for many years because of Inservco's expertise, attention to detail and responsiveness. These are examples of the types of customers who select Inservco over any other third party administrator and of the level of services we provide to our customers.

2. All portions of this RFP and the Proposal are considered to be part of the Services Agreement to be entered into between the Authority and the Successful Proposer and will be incorporated by reference.

Inservco agrees that the RFP and the Proposal will become part of the finalized contract between the Authority and Inservco should we be awarded.

B. Proposals

The Scope of Services (Section III) is intended to outline the Authority's needs. The Proposal should thoroughly define the Proposer's proposed scope and approach to the Services.

Scope and Approach

Inservco's claims management philosophy is focused on the aggressive management of all claims. We understand the critical importance of initiating prompt reporting, thorough claims investigations and developing strategies to manage those claims to their conclusion.

We provide prompt thorough initial investigations including witness statements, and scene photographs, as well as, additional investigations as warranted. Our adjusters will work through negotiations to attain fair and reasonable settlements. In case of litigation, we are willing and able to work with any defense counsel to provide them a complete investigative file to work towards a favorable resolution.

Upon initial receipt of the Accident Report and/or tort claim notice, the Account Management Team will analyze the information available on the report. Liability claims are reviewed in accordance with client instructions and title 59 statutes. Inservco recommends that the long tort claim notice be utilized. The claimant's age, treating physician, and nature of injury and immunity defense are reviewed to establish an initial reserve. Initial direction is provided for a complete investigation to the accident. Subrogation potential is determined, initial instructions are provided for the claims adjuster, and the assignment to the most qualified adjuster in the team is made based upon the complexity of the claim. Inservco will make every reasonable effort to collect any money spent by the insured where there is a responsible third party. Appropriate use of IMEs will be considered when needed.

Inservco always has, and continues to maintain good relationships with numerous excess carriers and reinsurers. We have been audited on numerous occasions by these carriers and have enjoyed very favorable outcomes. Audit reports prepared by the carriers consistently provide high scores about the quality claim handling and attentiveness to each file. These carriers are extremely comfortable with Inservco's claims management practices.

Those files that are required to be reported to the excess carriers will be reported in accordance with the excess carriers' requirements. Most cases need to be reported when the incurred value is 50% of the retention. Other reasons for reporting are death, disability over one year, brain injuries, severe burn injuries, spinal cord injuries. Claims will be reported to the excess carrier using their preferred form or a formal report. Follow up with the excess carriers will be on a quarterly basis unless they make specific request for alternate reporting. As a quality assurance check, Inservco runs a report each quarter that shows outstanding reserves listed by each adjuster and determines which of these need to be reported to the excess carrier.

The team approach between Inservco and the insured reduces costs. Furthermore, our anti-fraud program, which enables co-workers to phone information confidentially to our staff, reduces the likelihood of employees filing fraudulent claims.

Inservco's reserving philosophy is that reserves should reflect the probable cost of the claim based on the most accurate information available about the status of the claim. Good reserving begins with, and flows from, an initial thorough investigation of the claim. This allows for a valuation that reflects general disability duration guidelines modified to the particular facts of the claim. Reserves are not stair-stepped but are adjusted in accordance with the development of the claim. We work with our accounts to tailor reserve practices to meet their needs while maintaining industry standards and practices.

The criteria utilized to maintain reserves are based upon information available during the investigation. The employee's age, job description, treating physician, severity of injury and any pre-existing conditions are reviewed. After we complete our initial claim investigation including the review of medical correspondence received which outlines the diagnosis, prognosis and target return to work date, the reserves are reviewed to determine their adequacy for the exposure on the file. Reserves are reviewed subsequently as part of the diary process. As a quality assurance check, Inservco runs a report each quarter that shows outstanding reserves by adjuster and which of these reserves need to be reported to the excess carrier.

Our Computer System

Inservco's computer system is very elaborate and robust. The security provisions allow access to the user as deemed appropriate by the administrator. An individual only has access to his/her own data while the overall program administrator may have information among all members available to him/her unless authorized otherwise. There is the ability to review our Claims System and Image System which contain all payments, adjuster's notes and diaries, and all correspondence received on a claim file.

Our claim reporting procedures are web based on line and can be submitted directly by the client. The Supervisor after review will assign the adjuster, place reserves on the file and provide clerical directions. Claims are assigned to the adjuster within 24 hours of receipt.

Our core claims system is able to store all required claim information including claim number, organization code, agency and any other location specific information. We image all incoming

claim documents through our imaging system, ImageRight. Legal documents, correspondence, medical bills and associated explanation of re-pricing documents are easily managed by Inservco's staff and are available for immediate viewing by our customers. On request, the Authority may request these images in any format they require. Inservco's standard formats include Portable Document Format (PDF) and Tagged Image File Format (TIFF).

Our system stores claims data such as policy information, incident description, and payment and reserve history. The information captured in the system not only allows the claim staff to efficiently resolve claims, but also provides the data found on reports. Inservco captures data about the claim and is not limited to date of occurrence, claim number, location, cause of accident, examiner handling, injury type, part of body affected, date received, diaries and file notes, and financial information. The financial information can be viewed by summary or individual transaction for both reserves and payments.

Our claims management system can provide the standard reports required by the Authority. These include loss experience reports, aggregate reports, loss cause analysis reports, and check registers, as well as ad-hoc reports at no additional charge.

NCCI loss codes are now available such as tracking type of injury.

The Inservco information system infrastructure is extremely secure. Attack and penetration (A&P) testing is conducted annually by an external entity, Protiviti, to ensure we remain vigilant in our security efforts. In addition to the A&P testing, an annual IT Security Audit is also conducted to identify internal and external security risk assessment. Also, due to banking regulations and Penn National Insurance's use of clearing houses, an annual National Automated Clearing House Association (NACHA) audit is conducted. All of these audits consistently improve the security of the information systems infrastructure.

Information security is extremely important to Inservco. We have a dedicated Manager of Information Security who also serves as our Health Insurance Portability and Accountability Act (HIPAA) Security Officer. He works closely (via dotted line reporting) with the Penn National Insurance Corporate Compliance Officer on such issues and he regularly monitors anti-breach legislation identifying any relevant impact.

Inservco's system is secured by a hot site located on the west coast. Within 48 hours of a system disaster, we can be operational from that location and we can continue to process data from that site until full system recovery.

All systems utilized to provide claim management are scanned regularly. The operating system is scanned weekly. Personal computers and laptops are scanned each time they are booted. All security patches are applied immediately. Antivirus software is updated daily with the latest virus scanning releases.

Some examples of our standard reports include:

- Loss Experience - Per claim and aggregate views of medical, indemnity, expense and anticipated payments.

- Closing Report each month by claim examiner.
- Loss Cause Code Reports lists claims with potential for significant loss based on a variety of criteria.
- Financial Transaction Log.
- Aggregate Limit compares exhausted and/or incurred value to the aggregate limit.
- Medical Savings Report provides the differential of the requested amount to be paid to a health care provider and the actual amount including a percent of savings.
- Ad Hoc Reports customized to the clients' organizational needs at no additional charge.
- Recovery Reports.

Our customers have the ability to search for claims by claim number, social security number, claimant name, agency, claim status, occurrence date, and receive date.

Sampling Methodology

Much of our sampling methodologies will be achieved with the checks and balances programmed into our computer system.

- Automated flags to adjusters on reserve limits.
- Automated claim acknowledgements within minutes of receiving claim.
- Reminder notices to our adjusters to call the attorney within 72 hours of receipt of a letter of representation for petitioner and to follow with a letter.
- Immediate access to view all reports via the internet with no extra charges.
- Customized reports to analyze trends within locations and departments of the District in order to implement strategies for improvement.
- Availability to review our Claims System and Image System which contain all payments, adjuster's notes/diaries, and all correspondence received on a claim file.

Penn National Insurance has been in the Pennsylvania market for 97 years and Inservco has been in the market for 37 years. Both are financially secure and robust companies. **The reputation of Inservco and our parent company in today's market is exceptional.** We are recognized within our business as an outstanding employer able to attract and retain the best professionals in the industry. We combine technical excellence with prompt, personal and responsive claims management and administrative services, we know how to handle safety issues, we are the provider of choice in the managed care market, and we offer extensive bench strength: the resources and people to perform at all levels of third party administration.

Required Components of the Proposal:

1. Provide an executive summary of not more than one (1) page identifying and sustaining the basis of your contention that you are the best qualified firm to provide the requested services to the Authority.

Executive Summary

Our mission is to provide insurance related services (claims, safety, risk and managed care) of superior value to our customers (self-insureds, risk retention groups, governmental entities, insurance companies, agents, brokers and consultants). In support of our mission, we are committed to:

- Creating strong working relationships with our customers.
- Providing an environment that fosters personal growth and achievement for all employees.
- Contributing to consistently strong financial performance and growth.
- Demonstrating commitment to our guiding beliefs.

Embedded in the management philosophy of our leadership team of both Inservco and Penn National Insurance is our guiding beliefs or Core Values. These beliefs and values are how we will conduct our business:

- Integrity – we will be open and honest in all our actions.
- Financial Strength – we will be profitable and maintain the ability to meet our financial commitments.
- Excellence – We will strive to be the best in our class for our self-insureds, policyholders, agents and employees.
- Respect - We will treat everyone fairly and value differences among ourselves.
- Communication – We will provide open, honest and frequent communication.
- Citizenship – We will give back to our communities through both volunteer time and financial support.

Yes we can say we have professional and knowledgeable adjusters and our computer system is unique and comprehensive and our management team has been consistent and reliable, and so on and so on, but we believe it is how we do business that makes us unique.

As stated earlier in this proposal, Inservco's understanding of the New Jersey Turnpike Authority comes from our experience as a company in managing the Authority's self-insured liability program for the past 17 years and the many other self-insured liability, public entity programs that Inservco manages in New Jersey.

For the majority of our years of service Inservco's primary focus has been with the public sector in managing their self-insured workers' compensation and liability programs. In fact 85% of Inservco's book of business is in the Public/Governmental Entity Market.

In 1980 Inservco was formed by its parent company Penn National Insurance to manage the self-insured workers' compensation program of Dauphin County. In 1988 Inservco opened its New Jersey Office in West Trenton and later moved to our current location in Lawrenceville where we have been located for the last 19 years.

Beginning in 1990 in New Jersey, and continuing through the early 90's, Inservco began servicing significantly larger accounts of Municipalities, Boards of Education and Joint Insurance Funds.

Today Inservco has over 700 customers in Pennsylvania and New Jersey comprising a prestigious portfolio of large, sophisticated and complex self-insured programs.

Our senior management team has remained consistent through the years starting with Michael P. Scheib, President & CEO, 31 years and Executive Vice President & COO, Staci Ulp with 23 years and Michael J Wasilewski, Manager of IT, 23 years.

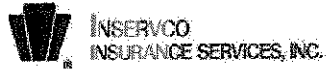
We believe our references in this proposal and our years of experience with the Authority will demonstrate to you the experience and expertise the Turnpike is looking for in an exceptionally qualified third party administrator.

2. Provide the name, title, business address, e-mail address, telephone number and fax number of the individual the Authority should contact regarding your Proposal.

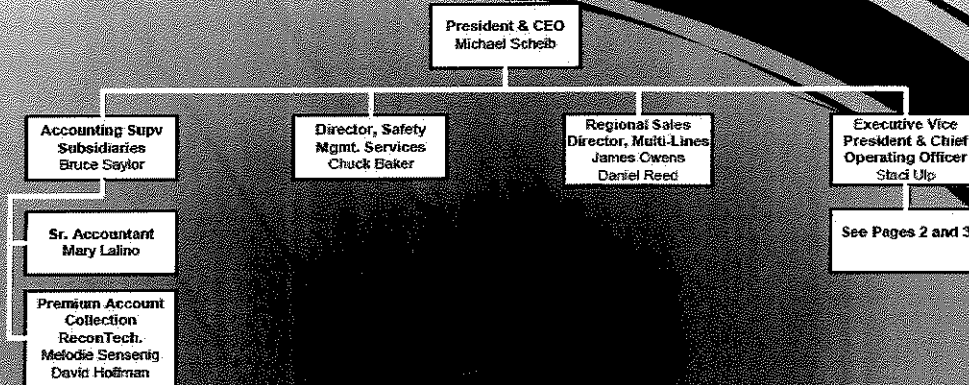
Staci Ulp, AIC, Executive Vice President & COO, 2 North Second Street, Harrisburg, PA 17101, sulp@pnat.com, 800-356-0438 X 4057, Fax 717-221-6060.

3. Provide a brief description of your firm, its ownership structure and its State/country of incorporation or formation. Describe your firm's physical presence in the State of New Jersey, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.

Inservco Insurance Services has its Corporate Headquarters and Harrisburg Branch Office located at Two North Second Street, Harrisburg, PA 17101. Our other Branch Offices are located at 1500 Ardmore Boulevard, Pittsburgh, PA 15221 and Crossroads Corporate Center, 3150 Brunswick Pike, Lawrenceville, NJ 08648.



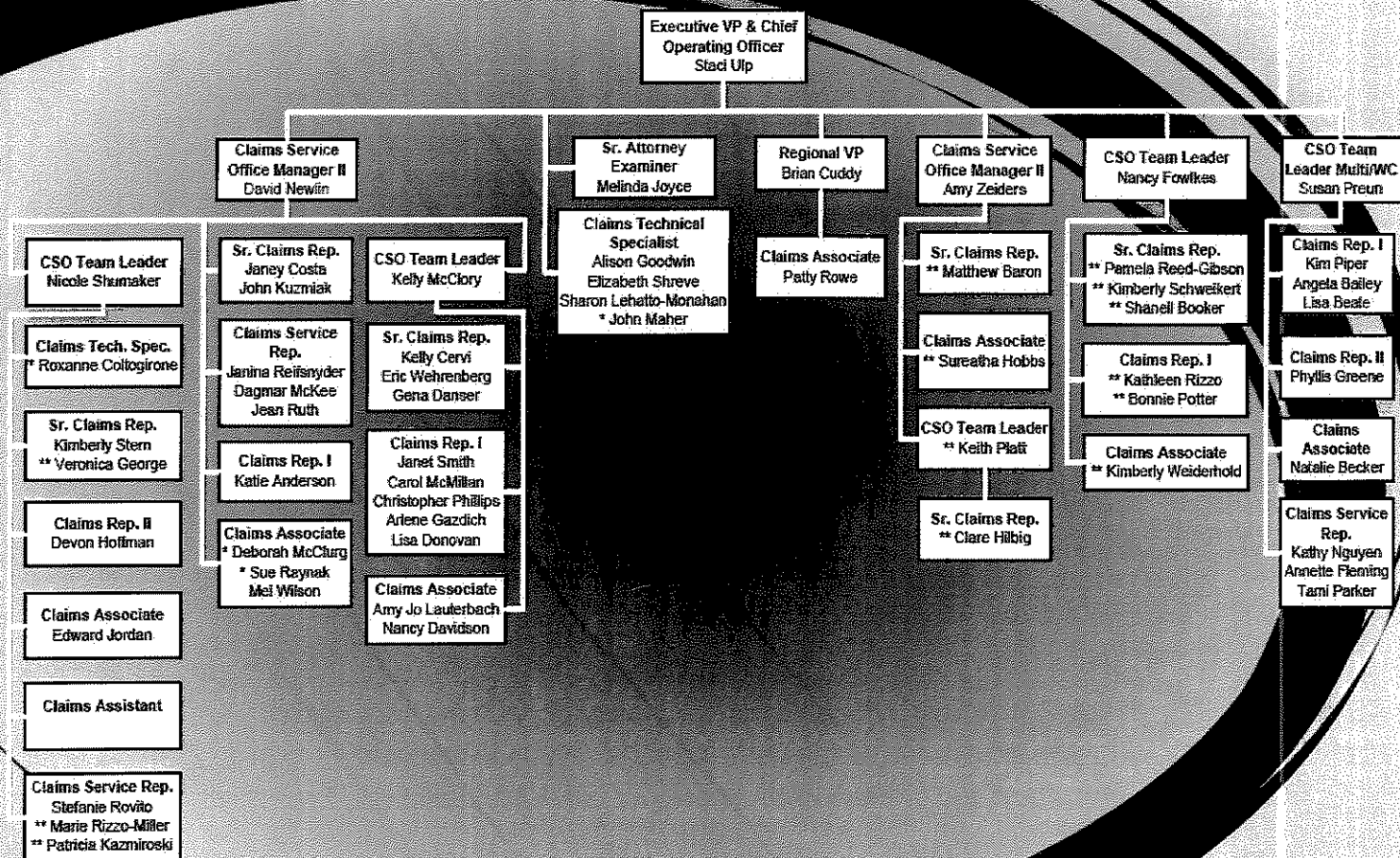
Inservco- Home Office



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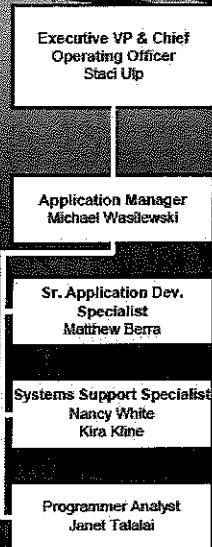
Inservco- Harrisburg, New Jersey and Pittsburgh Service Offices



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1/12/2017 8:16 AM

* Located in the Pittsburgh Office
** Located in the New Jersey Office

Inservco- Harrisburg, New Jersey and Pittsburgh Service Offices



Inservco Insurance Services, Inc. was incorporated in Pennsylvania in 1980 to administer the workers' compensation claims management program for the County of Dauphin in Pennsylvania. Since our inception we have specialized in managing workers' compensation and liability programs for self-insured entities. Today, with over 37 years of TPA claims administrative experience, and a staff of over 85 employees, Inservco successfully serves over 700 self-insured customers in workers' compensation, general and auto liability, police professional as well as other lines of business.

As a subsidiary of Penn National Insurance, (rated an A- "Excellent" by A.M. Best Company), Inservco benefits from over 98 years of its parent company's financial strength (\$1.6 Billion) and its experience in writing commercial and personal property, casualty insurance policies and serving related claims. Penn National Insurance has been a major carrier for workers' compensation coverage since 1931 and projects that total 2017, workers compensation premiums will exceed 70 million dollars. Advantages that Inservco enjoys as a subsidiary of Penn National Insurance include: deep bench of resources particularly in complex claims and litigation management, a special investigation unit that detects and investigates fraud, and an extensive information technology department that compliments and supports Inservco's dedicated information technology staff.

Penn National/Inservco has won Best Places to Work in the last several consecutive years. These awards are a direct result of employee surveys which offers feedback to employers and provide a testament to Penn National's and Inservco's ability to attract and retain the best professionals in the industry.

The make-up of our employee professionals here at Penn National/Inservco is as follows: 785 employees, 509 females and 69 minorities.

Consistency, constancy, steadiness, reliability, stability, regularity— for three decades and counting, Inservco has shown all those qualities. Complex claims require a consistent, methodical and well-informed approach that our claim experts produce. Inservco's consistency in quality claims service and knowledgeable, veteran adjusters are still what is appreciated most, providing our customers with the peace-of-mind that costs are managed effectively and to the benefit of their objectives.

Going forward, Inservco' mission will continue to be an effective and customer responsive regional third party administrator with its primary focus in the Pennsylvania and New Jersey Markets. We are currently licensed as a Third Party Administrator in Pennsylvania, New Jersey and Maryland.

4. Set forth fully the anticipated assigned liaison contact, professional and sub-professional staff to be used in providing the Services. Individual's background and resumes should be included, as well as their anticipated respective functions and responsibilities. Sufficient responsible and professional personnel, with complete and capable supporting staff, must be provided to perform the Services.

Personnel

Inservco's senior management group has had a long tenure of working together ensuring that our operation is able to tailor the needs of each individual customer while analyzing future trends and statutory requirement that may impact the delivery of services as we move ahead in time. Inservco's management team maintains its leadership position by utilizing a proactive approach rather than lagging behind the market by being reactive to market trends. This senior claims team includes the following:

Michael Scheib, AAI, ARM, President & CEO

As the President and CEO, Mike serves as the visionary and directs the strategic and operational planning and results management processes for Inservco. He is also responsible for providing executive leadership for the daily operation and administration of all services to ensure client satisfaction. During his career, Mike has played an active role in developing relationships with all Inservco customers and working with them on a regular basis to ensure that all client needs are met or exceeded. Throughout his career with the organization, Mike has served as a key member on numerous Penn National Insurance committees. Mike has worked in the insurance industry for over 30 years and uses his leadership and management skills to benefit each and every customer.

Staci Ulp, AIC, Executive Vice President & COO

Staci holds her Bachelor's degree from Temple University with dual majors in Marketing and Human Resource Administration. She has completed the Insurance Executive Development Program at Wharton School of the University of Pennsylvania. She has also earned her Associate in Claims from the Insurance Institute of America and has earned her Delaware and Connecticut Adjuster's licenses. Prior to Inservco, Staci worked as a Senior Multi-line adjuster with Liberty Mutual Insurance Company. Staci serves as a consultant for Inservco's clients utilizing her extensive claims experience working with various self-insured customers to ensure that clients' expectations are exceeded and claims are managed in the most effective manner. Staci has worked with all the various industry clients and serves as a customer advocate. She is responsible for all claims operations within Inservco and has over 20 years' experience in the insurance industry.

Amy Zeiders, AIC Claims Manager, Amy has extensive knowledge, training, and experience in managing various types of liability and property claims. She is skilled at negotiating with attorneys and vendors seeking fair settlements, fair pricing, and bill reductions. Amy is also astute in matters involving coverage, subrogation, liability, and reserve evaluations and possesses a proven ability to identify, analyze, and solve problems. She is talented at eliciting confidence and building rapport with clients, and brokers/consultants, and other staff. Amy is committed to ensuring appropriate claim outcomes, best claim practices, compliance with statutes, and company guidelines. Her enthusiasm for training, coaching, and staff mentoring ensures that each customer will be the recipient of favorable results. She is responsible for the management of all liability lines at Inservco and she has over 20 years of experience in the insurance industry.

Michael J. Wasilewski, Applications Manager, joined Inservco as the Application Manager for Inservco's IT staff. Beginning his career as a commercial liability and workers' compensation claims adjuster, Mike gained valuable experience in claims handling. As a business analyst, Mike was instrumental in implementing the ImageRight document

management system into Inservco's and Penn National's claims department. Mike was the lead analyst for Inservco and developed the workflows and processes that kept work moving in a paperless environment. Mike has been a lead analyst on claim system replacement and upgrade projects for Inservco and has lead a number of other automation initiatives for both companies including automatic bill paying and consolidation of the support staff through improved automation to reduce expenses. Mike developed business applications using .NET, SQL, and BizTalk and became the System Administrator and Design Architect for BizTalk. Mike was instrumental in the development of an agent portal to enter and submit personal lines quotes that flow through an automated process where the majority is approved without human interaction.

Claim Staff

Keith M. Platt, Esq., Team Leader, has experience in handling various types of litigation matters as a practicing civil defense attorney in New Jersey, with a particular focus on claims brought under the Tort Claims Act (Title 59). He has interacted extensively with other defense counsel on resolution plans, pre-trial strategies, trial preparation, reporting and case assessments. Keith is also a former law enforcement officer, with comprehensive knowledge of police procedure, the New Jersey Criminal Code (2:C), investigative procedures and New Jersey's Administrative Code for Correctional Facilities (10A). Keith will oversee the supervision and coordination of all liability claims activities.

Patti Rowe, Claim Associate, Patty has over 20 years of experience in claim adjusting experience that includes an emphasis in medical professional liability and general liability claims as well. She possesses in-depth knowledge of claim coverage and insurance policies. Patty is skilled at negotiation techniques that enable her to enhance the outcomes she is able to achieve for her clients. She is experienced at communicating with attorney's and insurance executives at all levels. Patty is committed to providing her clients with outstanding customer service and attention to their needs.

Chuck Baker, CSP, Director of Safety Management: For nearly 20 years, Chuck has gathered extensive experience in developing, implementing, and managing employee safety programs. He has conducted health/ safety and management system audits at over 300 manufacturing and government facilities throughout the US, Europe, and Asia, including industries such as petroleum, defense, local and state government facilities, aviation, chemical and polymers, food processing, ceramics, pharmaceutical as well as general manufacturing facilities.

Chuck has also worked closely with trade associations, federal, state, and local government agencies assisting in developing training programs. Some of these include: Right-to-Know, Confined Space, Electrical Safety and Physical Safety.

These resumes and others of our staff can be found in the Appendix of this proposal.

5. Identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve the provisions of Services to the Authority, including but

not limited to conflicts with financial advisors, law firms providing services to the State or the Authority and State employees or Authority employees.

Inservco does not have any existing or potential conflicts of interest in doing business with the State of New Jersey or the Authority and State employees or Authority employees.

6. Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas, or other information requests of or involving your firm or the owners, principals or employees thereof during the period beginning January 1, 2014 through the date of the Proposal. Describe the nature and status of the matter and the resolution, if any.

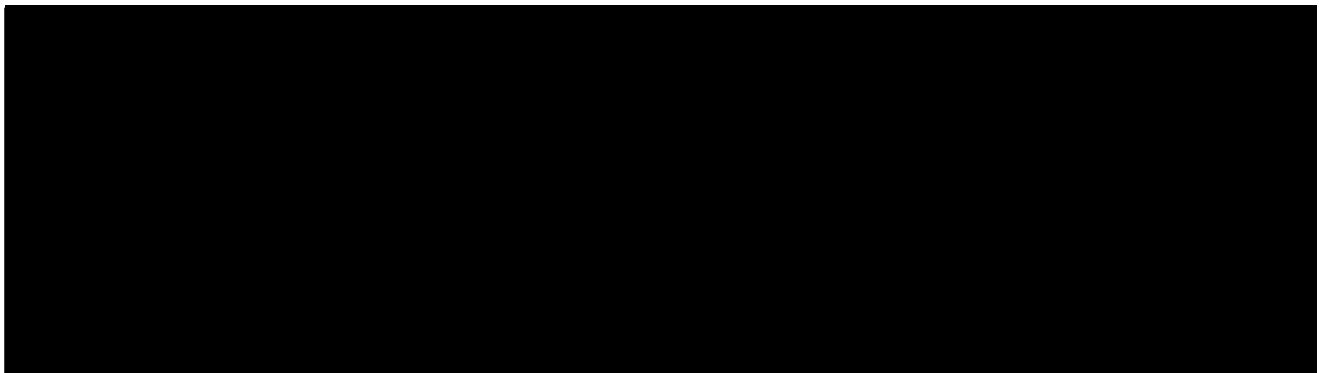
Inservco has no pending or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas, or other information requests of or involving your firm or the owners, principals or employees thereof during the period beginning January 1, 2014 through the date of the Proposal.

7. All the documents listed in the (Check List in Section VI) must be submitted in order for a Proposal to be considered responsive to this RFP.

Inservco has reviewed and executed the appropriate documents as listed in this section. These documents can be found in the Appendix of this proposal under Required Documents.

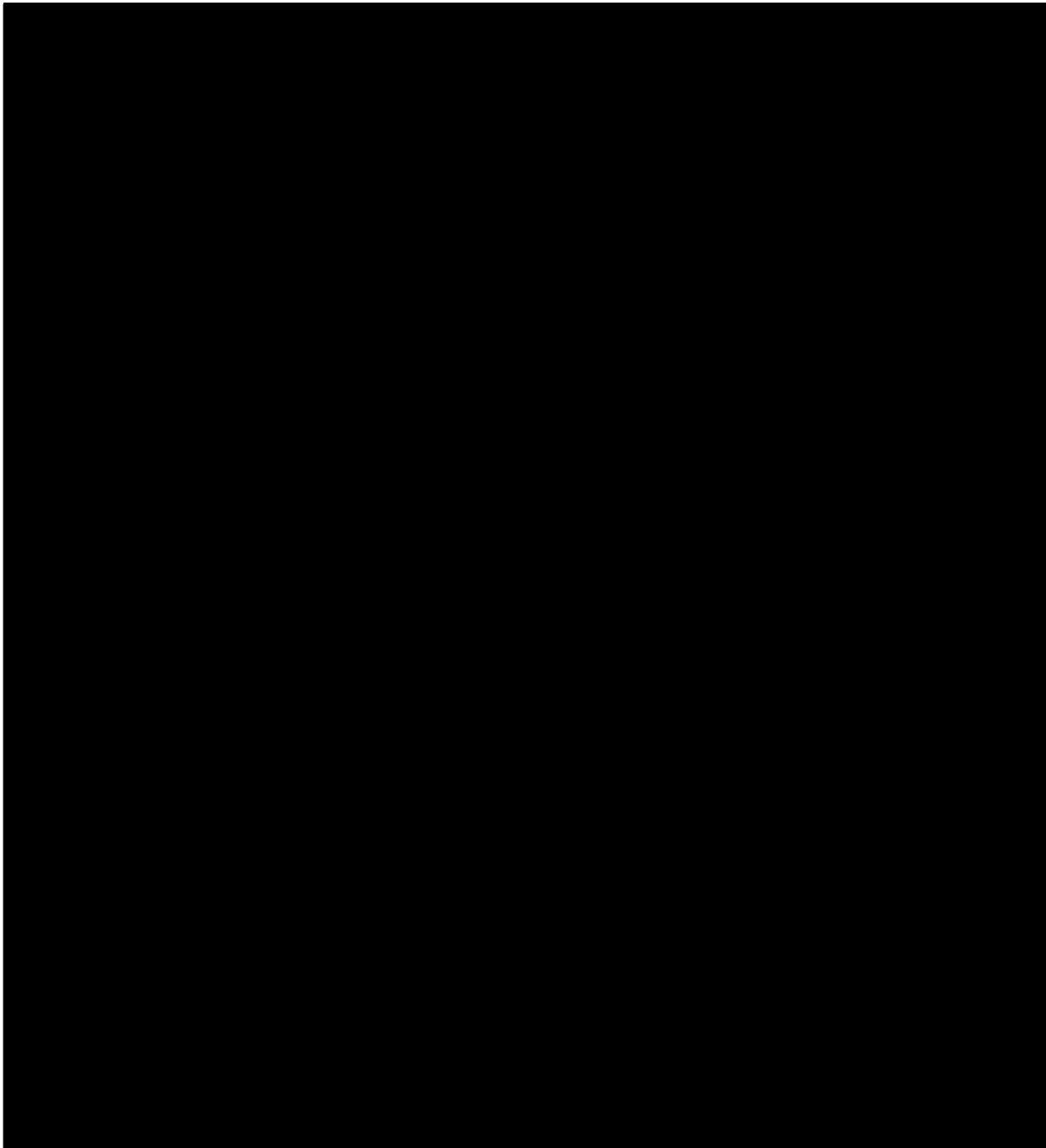
8. The Proposer shall submit a minimum of three (3) relevant references. Proposer references shall pertain to the nature of work performed, duration of the projects, relationship between the firm and the Proposer and other considerations regarding the ability and responsibility of the Proposers that the Authority deems appropriate. Include references that demonstrate ability and qualifications to conduct governmental audits.

**Inservco's New Jersey Customers Similar Size and Scope:
Pooled Insurance Groups:**



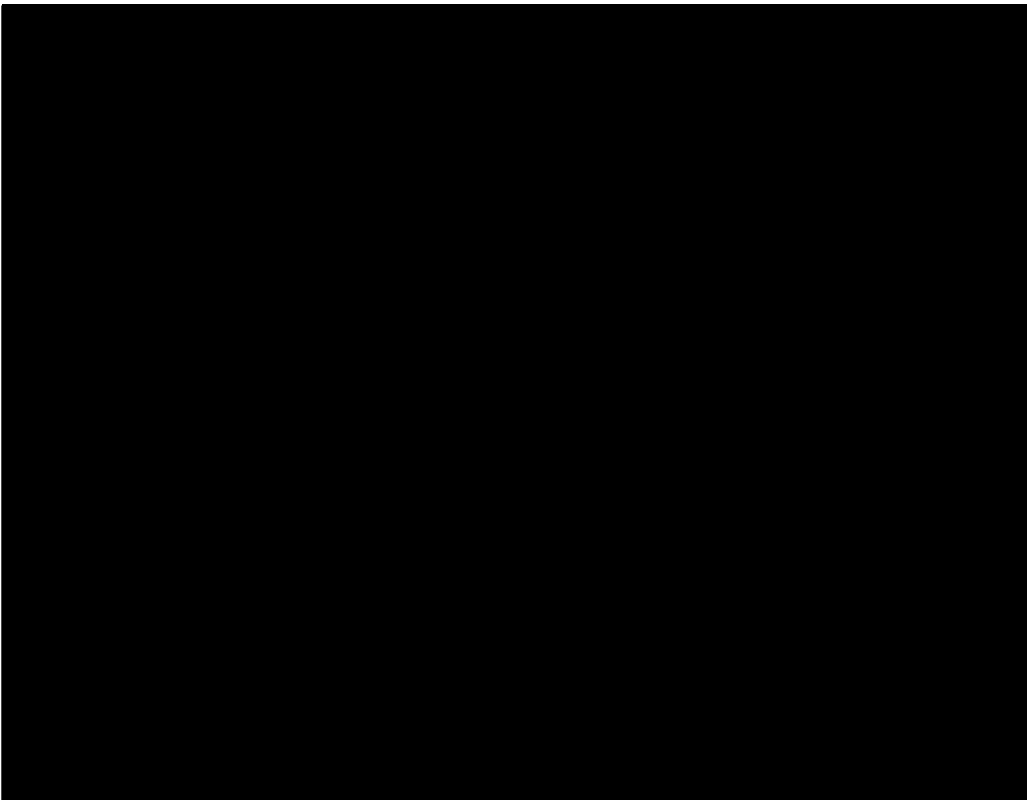


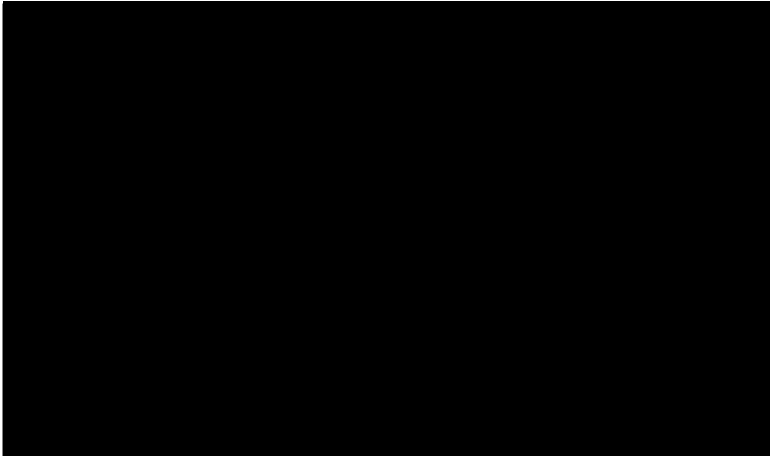
Individual Accounts:





Inservco's Pennsylvania Customers Similar Size and Scope:





9. Proposers shall provide copies of audited financial statements or federal income tax returns for their firm for the past three years. Also, Proposers are encouraged to provide current independent financial ratings from New Jersey state and nationally recognized/consensus rating bureaus (e.g. AM Best, Moody's, Standard & Poor's), if applicable.

See the appendix of this proposal for Inservco's financial documents.

C. Fee Proposal

Proposer shall indicate the fixed annual fee (the "Fixed Annual Fee") that it proposes to charge for the provision of the Services indicated in Section III. Proposer should include their fee for years 1, 2 and 3 of the contract term. The Fixed Annual Fee shall include all professional, administrative and clerical services and all out-of-pocket expenses incurred in connection with the completion of the Services required herein. Travel costs are not reimbursable. In addition, the Proposer should include an hourly rate for any additional services as authorized by the Authority. Additional expenses may be approved by the Authority in extraordinary circumstances. Such approval must be received before said expenses are incurred. However, the Authority will not reimburse for the following expenses:

- Fax charges or scanning charges**
- Courier charges or overnight delivery charges (unless there is prior approval.**
- Cell phone or other telephone charges**
- Administrative or Clerical staff time or overtime**
- Rent**
- Conference Rooms**

- **Equipment Rental**
- **Office Supplies**
- **Books and Publications**
- **Meals**
- **Cabs and/or car services**
- **Any surcharge over actual costs**
- **Mileage**
- **Travel time**
- **Time spent discussing and preparing bills or negotiating billing questions**

The Authority will not pay for the attendance of more than one (1) professional at a meeting unless prior approval has been requested and received from the Authority. The Authority reserves the right to review and adjust submitted invoices as it deems appropriate.

| Annual Flat Fee | Year 1 | Year 2 | Year 3 |
|-----------------|----------|-----------|-----------|
| Annual Flat Fee | \$99,050 | \$101,030 | \$103,050 |

Inservco will provide the following services for these fees:

- Aggressive management of **all new and existing liability claims**.
- Staffing as requested in the RFP.
- Issue all payments.
- Monthly loss runs reports and standard computer reports.
- Monthly check registers.
- Complete and file mandated claim forms.
- Coordinate litigated claims with attorney.
- Coordinate claims with excess carrier.
- Coordinate needs with private investigator.
- Enter all claims data into our Pyramid System.
- Investigate and pursue subrogation potential on all claims with no additional recovery fees.
- Investigate and pursue fraudulent activities.

Allocated Expenses

The claims management fee does not include usual allocated expenses, such as attorneys' fees, outside appraisal costs, photographers' fees, travel expenses for witnesses, surveillance performed by independent professional surveillance firms, Medicare set-aside costs, independent medical examinations for claim evaluation and defense purposes, PPO Network discounts or access fee, bill repricing, telephonic case management, field case management, court reporters' fees and court costs or defense of any claim.

Safety Management Fee: \$115 per hour.

Appendix

Resumes

MICHAEL P. SCHEIB, ARM, AAI
PRESIDENT & CEO

EDUCATION: Susquehanna University, BS, Business Administration

**CONTINUING
EDUCATION:**

Certificate in General Insurance
Wharton University of Pennsylvania - Insurance Executive Development Program
Associate in Risk Management (ARM)
Accredited Advisor in Insurance (AAI)
Certified Health Consultant (CHC)
Certified Instructor – Zenger Miller Front Line Leadership Program Total Quality Management

SEMINARS:

PA Agents License Continuing Education – Personal & Commercial Umbrellas + Excess Liability Insurance
PA Agents License C.E. – Commercial Auto + Liability
National Workers compensation & Disability Conference
Supervisory and Management Training Seminar Liability Seminar
Andrews and Wagner Workers Compensation Seminar

SERVICE: Joined Inservco Insurance Services, Inc. in 1986.

INSURANCE EXPERIENCE:

In April 2003 Mike Scheib was promoted to President and Chief Executive Officer of Inservco Insurance Services, Inc. Mike directs the strategic and operational planning and results management processes for Inservco. He is also responsible for providing executive leadership for the daily operation and administration of all services to ensure client satisfaction. During his career, Mike has played an active role in developing relationships with all Inservco customers and working with them on a regular basis to ensure that all client needs are met or exceeded. Previously, Mike served in several capacities with Inservco Insurance Services including: Executive Vice President, Vice President of Operations, Vice President of Client Services and Field Management, Marketing Director, and Account Executive. Throughout his career with the organization, Mike has served as a key member on numerous Penn National Insurance committees. Mike has worked in the insurance industry for over 30 years and brings leadership and management skills.

PREVIOUS WORK EXPERIENCE:

- Capital Blue Cross, Select Account Executive, 1983 - 1986
- Insurance Company of North America(CIGNA), Marketing Representative, 1980-1983
- Nationwide Insurance Company, Commercial Lines Underwriter, 1978 - 1980

PROFESSIONAL REFERENCES:

- Ronald A. Gallagher, Deputy Insurance Commissioner, PA Insurance Department Office of Consumer and Producer Services - [REDACTED]
- John T Durbin, Buchanan, Ingersoll Rooney, PC [REDACTED]

STACI L. ULP, AIC
EXECUTIVE VICE PRESIDENT & COO

EDUCATION: Temple University, Bachelor in Human Resources and Marketing

**CONTINUING
EDUCATION:**

Associate in Claims (AIC);
Wharton University of Pennsylvania, Insurance Executive Development
Delaware Adjuster's License; Connecticut Casualty Adjuster's License;
Council on Education Management; Workers Compensation Update – 1997;
Principles of Subrogation, Penn National Insurance; Pre- Act & Post-Act 57
Vocational Placement, Bar Institute Compromise and Release Agreements
Involving Medicare, Thomas, Thomas, & Hafer; WebCE Automobile Insurance;
Fraud Investigation, Penn National Insurance; 2010 Recent Developments,
Pietragallo, Bosick, and Gordon

PUBLICATIONS:

- 6th Annual Conference, Council on Education, Council on Education
- Management, "Workers' comp Update 99", Speaker
- PRIMEWATCH, When Indecision Can Cost the Member and Penn PRIME
- Thousands of Dollars", January 1999, Author
- PRIMEWATCH, "Panel of Providers, A good Idea" 2001, Author

SERVICE: Joined Inservco Insurance Services in 1994

EXPERIENCE: In 2016 Staci was named Executive Vice President & COO of Inservco at Inservco's corporate headquarters. Staci's current responsibilities include directing strategic and operational issues for the overall successful management of all claim operations within Inservco, to include Professional Liability to ensure client satisfaction. During her career at Inservco Staci has held many key roles and has been active in developing relationships with all clients to ensure goals are met or exceeded. Throughout her 24 year career, she has been involved in not only directing the daily claim operations, setting strategic initiatives for Inservco, contract negotiations technical claim issues and finding solutions to meet the needs of each Inservco client. Staci provides training seminars to staff and clients on various topics involving claim issues, regulatory matters, and case law.

PREVIOUS WORK EXPERIENCE:

- Inservco Insurance Services, Vice President Client Services-Field Mgt 2013-2016
- Inservco Insurance Services, Regional Vice President, 2006-2013
- Inservco Insurance Services, Claims Manager, 2000-2006
- Inservco Insurance Services, Account Manager, Self-Insured, 1995-2000
- Inservco Insurance Services, Self-Insured Senior Claims Representative, 1994-1995
- Liberty Mutual Insurance Company, Senior Claims Representative, 1992-1994

PROFESSIONAL REFERENCES:

- Ed Jordan, Esquire, Esq., Thomas, Thomas, and Hafer, [REDACTED]

MICHAEL J. WASILEWSKI
APPLICATION MANAGER

EDUCATION: Shippensburg University, M.S. Information Systems
Indiana University of PA, B.S., Human Resource Management

**CONTINUING
EDUCATION:**

- Certificate in General Insurance
- BizTalk Server 2006 Developer Deep Dive
- Microsoft Certified Technology Specialist, BizTalk Server 2006
- Developing Microsoft .NET Applications for Windows
- Associate in Information Technology (AIT) –presently pursuing

SERVICE: Joined Inservco Insurance Services, Inc in December, 2009.

INSURANCE EXPERIENCE: Mike joined Inservco as the Application Manager for Inservco's IT staff. Beginning his career as a commercial liability and workers comp claims adjuster, Mike gained valuable experience in claims handling. As a business analyst, Mike was instrumental in implementing the ImageRight document management system into Inservco and Penn National's (PNI) claims department. Mike was the lead analyst for Inservco and developed the workflows and processes that kept work moving in a paperless environment. Mike has been a lead analyst on claim system replacement and upgrade projects for Inservco and PNI, and has lead a number of other automation initiatives for both companies including automatic bill paying and consolidation of the support staff through improved automation to reduce expenses. While in PNI's IT department, he developed business applications using .NET, SQL, and BizTalk and became the System Administrator and Design Architect for BizTalk. Mike was instrumental in the development of an agent portal to enter and submit personal lines quotes that flow through an automated process where the majority is approved without human interaction.

PREVIOUS WORK EXPERIENCE:

- Inservco Insurance Services, Application Manager, 2009 - Present
- Penn National Insurance, Application Development Analyst - IT, 2006 to 2009
- Penn National Insurance, Sr. Business Analyst – Claims Department, 2002-2006
- Inservco Insurance Services, Business Analyst/Sr. Business Analyst 1998-2002
- Penn National Insurance, Business Analyst – Claims Department, 1995-1998
- Penn National Insurance, Workers Comp Claims Adjuster, 1994 - 1995
- Nationwide Insurance, Commercial Claims Adjuster, 1991-1994

PROFESSIONAL REFERENCES:

Mike Watts, Director - Claims IT & Administrator, PNI
Tim Caskey, Sr. Application Development Specialist, PNI



AMY E. ZEIDERS, AIC
LIABILITY CLAIMS MANAGER

EDUCATION: Shippensburg University, Bachelor of Arts in Communications

**CONTINUING
EDUCATION:**

- Associate in Claims (AIC)
- Casualty Licenses: Pennsylvania, Delaware, New Hampshire, Minnesota, Indiana, Connecticut

SERVICE: Joined Inservco Insurance Services in 2016

EXPERIENCE: Amy has extensive knowledge, training, and experience in managing various types of liability and property claims. She is skilled at negotiating with attorneys and vendors seeking fair settlements, fair pricing, and bill reduction. Amy is also astute in matters involving coverage, subrogation, liability, and reserve evaluations and possesses a proven ability to identify, analyze, and solve problems. She is talented at eliciting confidence and building rapport with clients, and brokers/consultants, and other staff. Amy is committed to ensuring appropriate claim outcomes, best claim practices, compliance with statutes, and company guidelines. Her enthusiasm for training, coaching, and staff mentoring ensures that each customer will be the recipient of favorable results.

PREVIOUS WORK EXPERIENCE:

- PMA Companies:
 - Regional Claims Liability Supervisor, 2006-2016
 - Senior Liability Claims Adjustor, 2002-2007
 - Liability Claims Adjuster, 1997-2002

REFERENCES:

- Chris Reeser, Esq., Marshall Dennehey Warner Coleman & Goggin; [REDACTED]
- Steve Geduldig, Esq., Pion, Nerone, Girman, Winslow & Smith; [REDACTED]
- John Pion, Esq., Nerone, Girman, Winslow & Smith: [REDACTED]

KEITH M. PLATT, ESQ.
TEAM LEADER

EDUCATION: Richard Stockton College of New Jersey (Stockton University),
B.A. Political Science

Widener University School of Law, J.D.

LICENSURE: New Jersey Law License

SERVICE: Joined Inservco Insurance Services in 2015

EXPERIENCE: Keith has experience in handling various types of litigation matters as a practicing civil defense attorney in New Jersey, with a particular focus on claims brought under the Tort Claims Act (Title 59). He has interacted extensively with other defense counsel on resolution plans, pre-trial strategies, trial preparation, reporting and case assessments. Keith is also a former law enforcement officer, with comprehensive knowledge of police procedure, the New Jersey Criminal Code (2:C), investigative procedures and New Jersey's Administrative Code for Correctional Facilities (10A). He has experience in the development and implementation of strategies for claims handling, as well as a focus on controlling legal costs and fees. As a Judicial Law Clerk for the Honorable Lawrence R. Jones, J.S.C., he had extensive experience as a mediator for small claims and landlord/tenant matters, which afforded him the opportunity to develop skills in negotiation techniques and conflict resolution.

Keith's legal background and first-hand knowledge of claims in the litigated state will allow him to effectively develop claims for the best derivative result of the self-insured client.

PREVIOUS WORK EXPERIENCE:

- Dvorak & Associates, Associate Attorney 2013-2015
- Vasios, Kelly & Strollo, Associate Attorney 2011-2013
- Law Offices of Jef Henninger, Associate Attorney, 2010-2011
- Superior Court of New Jersey, Judicial Law Clerk, 2009-2010
- Atlantic County Department of Public Safety, Corrections Officer, 2002-2006

PROFESSIONAL REFERENCES:

- Jef Henninger, Esq. – Law Offices of Jef Henninger, [REDACTED]
- Kurt J. Trinter, Esq. – Dvorak & Associates, [REDACTED]

PATTY J. ROWE
CLAIM ASSOCIATE

EDUCATION: West Perry High School, Elliottsburg, PA

**CONTINUING
EDUCATION:**

- Insurance Institute of America – Insurance 21 & 22
- PHICO Insurance Professional Development Program – Certificate in Claims
- Effective Business Writing
- Introduction to Claims

SERVICE: Joined Inservco Insurance Services in 2012.

EXPERIENCE:

Patty has over 20 years of experience in claim adjusting experience that includes an emphasis in medical professional liability and general liability claims as well. She possesses in-depth knowledge of claim coverage and insurance policies. Patty is skilled at negotiation techniques that enables her to enhance the outcomes she is able to achieve for her clients. She is experienced at communicating with attorney's and insurance executives at all levels. Patty is committed to providing her clients with outstanding customer service and prompt attention to their needs.

PREVIOUS WORK EXPERIENCE:

- ESIS ProClaim, Claims Director, 2008 - 2012
- ESIS ProClaim, ParaProfessional, 2007 - 2008
- PHICO Insurance Company, Liability Claim Representative, 1988 - 2006

PROFESSIONAL REFERENCES:

- Robert Sutton, Vibra Healthcare, [REDACTED]
- David Mebane, Esq., Barnabas Health, [REDACTED]

CHARLES BAKER
DIRECTOR, SAFETY MANAGEMENT

EDUCATION: Temple University, B.S., Electrical Engineering
Temple University, M.S. Environmental Engineering/Industrial Hygiene/Safety

**CONTINUING
EDUCATION:**

- OSHA HAZWOPER - Certified (40 hour)
- OSHA Incident Command – Certified (24 hour)
- OSHA – Certified (10 hour)
- DHS Transportation Workers Identification Credential (TWIC) Clearance

REGISTRATION:

- Certified Safety Professional (CSP) – Board of Certified Safety Professionals (#19689)

PUBLICATIONS:

- Contributing Editor, OSHA Handbook, Pennsylvania Chamber of Business and Industry, 2009/2010 Edition.

SERVICE: Joined Inservco Insurance Services in 2011.

EXPERIENCE: Over the past 15 years, Chuck has developed, implemented, and managed employee safety programs. He has conducted health, safety, and management systems audits at over 300 facilities throughout the US, Europe, and Asia within a variety of industries. Chuck spent several years on the staff at Temple University teaching engineering courses and as the Laboratories Safety Manager in the College of Engineering.

PREVIOUS WORK EXPERIENCE:

- EHS Business Management, LLC, Owner, 2009-2011
- Compliance Management International (CMI), Senior Manager, Safety Services, 2007-2009
- Environmental Resources Management, Inc. (ERM), Regional Director of Safety, 1998-2007
- Temple University, College of Engineering, Lab Manager, Interim Professor, 1993-1998

PROFESSIONAL REFERENCES:

- Joseph Baker, CIH, CSP, Partner, ERM, Inc. [REDACTED]
- Tu Dam, Vice President, General Dynamics OTS, [REDACTED]
- Cindy Wilttrout, Director of H&S, Saint-Gobain Verallia, [REDACTED]

Required Documents

SECTION VI: CHECKLIST AND EXHIBITS

CHECKLIST OF ITEMS

THE FOLLOWING ITEMS MUST BE SUBMITTED WITH YOUR PROPOSAL ALONG
WITH THIS CHECKLIST ITSELF:

CHECK OFF AS READ, SIGNED & SUBMITTED

| | CHECK LIST | |
|----|---|-------------------------------------|
| A. | MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE (Professional Services) | <input checked="" type="checkbox"/> |
| B. | AFFIRMATIVE ACTION INFORMATION SHEET | <input checked="" type="checkbox"/> |
| C. | AFFIDAVIT OF MORAL INTEGRITY | <input checked="" type="checkbox"/> |
| D. | OWNERSHIP DISCLOSURE FORM | <input checked="" type="checkbox"/> |
| E. | VENDOR FIRM DISCLOSURE FORM – EXECUTIVE ORDER 129 | <input checked="" type="checkbox"/> |
| F. | DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN | <input checked="" type="checkbox"/> |
| G. | NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX | <input checked="" type="checkbox"/> |
| H. | NJ ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR DISCLOSURE OF POLITICAL CONTRIBUTIONS | <input checked="" type="checkbox"/> |
| I. | AFFIDAVIT OF NON-COLLUSION | <input checked="" type="checkbox"/> |
| J. | NJ BUSINESS REGISTRATION CERTIFICATE | <input checked="" type="checkbox"/> |
| K. | SMALL BUSINESS ENTERPRISE/MINORITY BUSINESS ENTERPRISE/WOMAN BUSINESS ENTERPRISE FORM | <input checked="" type="checkbox"/> |
| L. | SMALL BUSINESS ENTERPRISE FORM SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE PARTICIPATION | <input checked="" type="checkbox"/> |
| M. | INSURANCE (see Section V of RFP) for Insurance Requirements for the Services Agreement) Submit proof of insurance- either certificate of insurance or letter from broker with proposal. | <input checked="" type="checkbox"/> |
| N. | FINANCIALS (Provide copies of audited financial statements or federal income tax returns for the past three years.) | <input checked="" type="checkbox"/> |

Inservco Insurance Services, Inc.
(Firm)

President & CEO
(Title)

Michael P. Scheib
(Signature)

FEBRUARY 21, 2017
(Date)

Michael P. Scheib
(Name – please print or type)

800-356-0438 x-4002/717-221-6060
(Telephone Number/Fax Number)



New Jersey Turnpike Authority

1 TURNPIKE PLAZA - P.O. BOX 5042 - WOODBRIDGE, N.J. 07095

TELEPHONE (732) 750-5300

CHRIS CHRISTIE
GOVERNOR

KIM GUADAGNO
LIEUTENANT GOVERNOR

RICHARD T. HAMMER, *Chairman*
RONALD GRAVINO, *Vice Chairman*
MICHAEL R. DUPONT, *Treasurer*
RAYMOND M. POCINO, *Commissioner*
ULISES E. DIAZ, *Commissioner*
DANIEL F. BECHT, *Commissioner*
JOHN D. MINELLA, *Commissioner*
JOSEPH W. MROZEK, *Executive Director*

March 6, 2017

ADDENDUM No. 1

REQUEST FOR PROPOSALS FOR

GENERAL LIABILITY, AUTOMOBILE LIABILITY, EMPLOYMENT LIABILITY AND POLICE PROFESSIONAL LIABILITY CLAIMS ADMINISTRATION SERVICES

Respondents are hereby notified that the above-referenced Request for Proposals ("RFP") is amended as follows:

1. **Section IIC, Closing Date (page 6) and Section IIDD, Proposal Schedule (page 12-13):** The closing date of the receipt of proposals has been extended to Monday, March 20, 2017 (4:30 PM, E.T.).

Receipt of Addendum No. 1 must be acknowledged in writing with the submission of the Proposal. Failure to acknowledge receipt of this Addendum will be construed as acknowledgment.

There are no other changes to the RFP.

Very truly yours,

Andrea E. Ward, Director
Procurement and Materials Management

Received
JED

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq., N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICES AND GENERAL SERVICES AGREEMENTS

During the performance of the Services Agreement, the Contractor agrees as follows:

- A. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.
- B. The contractor or subcontractor, where applicable, will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex.
- C. The contractor or subcontractor will send to each labor union, of with which it has a collective bargaining agreement, a notice to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- D. The contractor or subcontractor where applicable agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.
- E. The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with *N.J.A.C. 17:27-5.2*.
- F. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

- G. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personal testing conforms to the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.
- H. In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity, or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.
- I. The Contractor shall submit to the public agency, after notification of award but prior to execution of a goods and Services Agreement, one of the following three documents:
- i. Letter of Federal Affirmative Action Plan Approval
 - ii. Certificate of Employee Information Report
 - iii. Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractor shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C. 17:27

The parties to the Services Agreement do hereby agree that the provision of *N.J.S.A. 10:5-31 et seq.* dealing with discrimination in employment on public contracts, and the rules and regulations promulgated pursuant thereunto, are hereby made a part of the Services Agreement and are binding upon them.

Submitted by:

Firm Name: Inservco Insurance Services, Inc.

By: Michael P. Scheib 

Title: President & CEO

Date: February 21, 2017

EXHIBIT B

AFFIRMATIVE ACTION INFORMATION SHEET

IN ACCORDANCE WITH THE TERMS OF THE ATTACHED SERVICES AGREEMENT PROPOSERS ARE REQUIRED TO SUBMIT ONE OF THE FOLLOWING FORMS RELATING TO COMPLIANCE WITH AFFIRMATIVE ACTION REGULATIONS. PLEASE COMPLETE AND RETURN THIS FORM WITH THE PROPOSAL.

1. The Proposer has submitted a Federal Affirmative Action Plan Approval which consists of a valid letter from the Office of Federal Contract Compliance Programs (Good for one year of the date of letter).

YES _____ NO X

If Yes, a photo copy of the Letter of Approval is to be submitted with the bid.
(OR)

2. The Proposer has submitted a Certificate of Employee Information Report pursuant to (N.J.A.C. 17.27-1.1) and The State Treasurer has approved said report.

YES X NO _____

If Yes, a photo copy of the Certificate is to be submitted with the bid. (Expiration Date on Certificate)

Certificate of Approval Number _____
(OR)

3. If Proposer has already submitted the Employee Information Report form to the States' Affirmative Action Office, please return a copy of it with the bid.

If you are the successful Proposer and have none of the above, please contact the Procurement and Materials Management Department at (732) 750-5300 ext. 8628 within five (5) days of notification of award for AA-302 Form. This AA-302 Form must be forwarded to the States' Affirmative Action Office with the Authority's copy (Pink) returned to the Authority's Procurement and Materials Management Department.

The signature below certifies that one of the above forms of Affirmative Action evidence has been submitted, and all information contained above is correct to the best of my knowledge.

Signed Michael P. Scheib Date Signed February 21, 2017

Print Name and Title Michael P. Scheib, President & CEO

Proposers Company Name Inservco Insurance Services, inc.

Address 2 North Second Street, Harrisburg, PA 17101

Telephone Number 800-356-0438 Fax Number 717-721-6060

Certification 5867

CERTIFICATE OF EMPLOYEE INFORMATION REPORT
RENEWAL

This is to certify that the contractor listed below has submitted an Employee Information Report pursuant to N.J.A.C. 17:27-1.1 et seq. and the State Treasurer has approved said report. This approval will remain in effect for the period of 15 OCT-2015 to 15 OCT-2018

INSERVCO INSURANCE SERVICES, INC.
3150 BRUNSWICK PIKE
LAWRENCEVILLE NJ 08648



Robert A. Romano

Robert A. Romano,
Acting State Treasurer

EXHIBIT C
AFFIDAVIT OF MORAL INTEGRITY

STATE OF Pennsylvania

Ss:

COUNTY OF Dauphin

I, Michael P. Scheib, the President & CEO (Pres., Vice Pres., Owner/Partner) of

Inservco Insurance Services, Inc (Proposer), being first duly sworn, deposes and says:

1. That the Proposer wishes to demonstrate moral integrity in accordance with the services to be rendered/goods to be provided in accordance with the Proposer's proposal.
2. That as of the date of signing this Affidavit, neither Proposer nor any of its Principals, Owners, Officers, or Directors are involved in any Federal, State or other Governmental Investigation concerning criminal or quasi-criminal violations, except as follows: **(If none, so state):** NONE
3. Proposer further states that neither the Proposer, nor any of its Principals, Owners, Officers or Directors, has ever engaged in any violation of a Federal or State Criminal Statute; or ever been indicted, convicted, or entered a plea of guilty, *non vult* or *nolo contendere* to any violation of a Federal or State Criminal Statute; or ever engaged in violation of any nature regarding work on the Agreements performed by it, except as follows: **(If none, so state):** NONE
4. That Proposer authorizes any depository or other agency to supply the Authority with any information necessary to verify any statement made in this Affidavit of Moral Integrity.
5. That as of the date of signing this Affidavit, outstanding liens filed against this Proposer are as follows: **(if none, so state).** NONE
6. That the undersigned, being authorized to act on behalf of Proposer certifies that I am personally acquainted with the operations of said Proposer, have full knowledge of the factual basis comprising the contents of this Affidavit of Moral Integrity and that the same are true to my knowledge.
7. That this Affidavit of Moral Integrity is made to induce the Authority to accept the Proposer as a qualified provider of goods and/or services, knowing that the said New Jersey Turnpike Authority relies upon the truth of the statements herein contained.

Sworn and Subscribed to Before Me This

27 Day of February 2017

Stefanie J. Rovito
Notary Public

Michael P. Scheib
Signature
Michael P. Scheib

President & CEO
Title

(Corporate Seal)

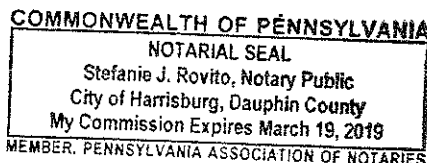


EXHIBIT D

Ownership Disclosure Form

| NEW JERSEY TURNPIKE AUTHORITY OWNERSHIP DISCLOSURE FORM | | | | |
|---|------------------------|--|--------------|--|
| Name of Firm: <u>Inservco Insurance Services, Inc.</u> | | | | |
| INSTRUCTIONS: Provide below the names, home addresses, dates of birth, offices held and any ownership interest of all officers of the firm named above. If additional space is necessary, provide an attached sheet. | | | | |
| Name: | Home Address: | Date of Birth: | Office Held: | Ownership Interest (shares Owned or % of Partnership): |
| <u>Penn National</u> | <u>2 North 2nd St.</u> | | | <u>(100%)</u> |
| <u>Mutual Cas.</u> | <u>Harrisburg,</u> | | | |
| <u>Ins. Co.</u> | <u>PA 17101</u> | | | |
| INSTRUCTIONS: Provide below the names, home addresses, dates of birth and ownership interest of all individuals not listed above, and any partnerships, corporations and any other owner having a 10% or greater interest in the firm named above. If a listed owner is a corporation or partnership, provide below the same information for the holders of 10% or more interest in that corporation or partnership. If additional space is necessary, provide that information on an attached sheet. If there are no owners with 10% or more interest in your firm, enter "NONE" below. Complete the certification at the bottom of this form. | | | | |
| Name: | Home Address: | Date of Birth: | Office Held: | Ownership Interest (shares Owned or % of Partnership): |
| <u>See Supplemental Form</u> | | | | |
| COMPLETE ALL QUESTIONS BELOW | | | YES | NO |
| 1. Within the past 5 years has another company or corporation had a 10% or greater interest in the firm identified above? (If yes, complete and attach a separate Ownership Disclosure form reflecting previous ownership interests) | | | X | |
| 2. Has any person or entity listed in this form or its attachments ever been arrested, charged, indicted or convicted in a criminal or disorderly persons matter by the State of New Jersey, or any other State or the U.S. Government? (If yes, attach a detailed explanation for each instance) | | | | |
| 3. Has any person or entity listed in this form or its attachments ever been suspended, debarred or otherwise declared ineligible by any agency of government from bidding or contracting to provide services, labor, material, or supplies? (If yes, attach a detailed explanation for each instance) | | | | |
| 4. Are there now any criminal matters or debarment proceedings pending in which the firm and/or its officers and/or managers are involved? (If yes, attach a detailed explanation for each instance) | | | | |
| 5. Has any Federal, State or Local license, permit or other similar authorization, necessary to perform the work applied for herein and held or applied for by any person or entity listed on this form, been suspended or revoked, or been the subject of any pending proceedings specifically seeking or alleging the issue of suspension or revocation? (If yes, attach a detailed explanation for each instance) | | | | |
| CERTIFICATION: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the New Jersey Turnpike Authority is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the New Jersey Turnpike Authority to notify the Authority, in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreements (s) with the New Jersey Turnpike Authority and that the Authority at its option, may declare any contract(s) resulting from this certification void and unenforceable. | | | | |
| I, being duly authorized, certify that the information supplied above, including all attached pages, is complete and correct to the best of my knowledge. I certify that all of the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment. | | | | |
| Company Name: <u>Inservco Ins. Serv.</u> | | Address: <u>2 North Second St</u> | | |
| Signature: <u>[Signature]</u> | | Name: <u>Michael P. Scheib</u> (Print or Type) | | |
| Date: <u>February 21, 2017</u> | | Title: <u>President & CEO</u> (Print or Type) | | |

EXHIBIT D

OWNERSHIP DISCLOSURE SUPPLEMENTAL FORM

| NAMES: | HOME ADDRESS: | DATE OF BIRTH: | OFFICE HELD: | OWNERSHIP INTEREST (SHARES OWNED OR % OF PARTNERSHIP): |
|-----------------------|----------------------|-----------------------|---|---|
| Christine Sears | <div></div> | <div></div> | President & CEO | 0 |
| Robert B. Brandon | | | Executive Vice President & COO | 0 |
| | | | | |
| Jacquelyn M. Anderson | | | Senior Vice President, CFO and Treasurer | 0 |
| Karen C. Yarrish | | | Senior Vice President, Secretary, and General Counsel | 0 |

EXHIBIT E

VENDOR DISCLOSURE FORM

Please be advised that, the New Jersey Turnpike Authority (the "Authority") has developed this form under the policy and procedures in accordance with N.J.S.A. 52:34-13.2. Under this order, the Authority must consider the requirements of New Jersey's contracting laws, the best interests of the State of New Jersey and its citizens, as well as applicable federal and international requirements.

The Authority shall insure that all Proposers seeking to enter into the Services Agreement in which services are procured on his behalf must disclose:

- a. The location by country where the services under the Services Agreement will be performed;
and
- b. Any subcontracting of services under the contract and the location by country where the subcontracted services will be performed.

LOCATION BY COUNTRY WHERE SERVICES UNDER THE SERVICES AGREEMENT WILL BE PERFORMED:

The Proposer Inservco Insurance Services, Inc., Dauphin Co., PA, USA
(Location by Country)

Name: Michael P. Scheib

Address: 3150 Brunswick Pike, Lawrenceville, NJ 08648

Title: President & CEO

Subcontractor: _____
(Location by Country)

Name: _____

Address: _____

Title: _____

I certify that all information is true and correct to the best of my knowledge.

Proposer: Michael P. Scheib Title: President & CEO
Michael P. Scheib

EXHIBIT F

NEW JERSEY TURNPIKE AUTHORITY
****NEW - DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN****

NAME OF CONTRACTOR /BIDDER: Inservco Insurance Services, Inc.

PART 1: CERTIFICATION

CONTRACTORS/BIDDERS **MUST COMPLETE** PART 1 BY CHECKING **EITHER BOX**.
FAILURE TO CHECK ONE OF THE BOXES SHALL RENDER THE PROPOSAL NON-RESPONSIVE.

Pursuant to Public Law 2012, c. 25, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must complete the certification below to attest, under penalty of perjury, that neither the person or entity, nor any of its parents, subsidiaries, or affiliates, is identified on the Department of Treasury's Chapter 25 list as a person or entity engaging in investment activities in Iran. The Chapter 25 list follows this certification and can also be found on the State of New Jersey, Department of Treasury, Division of Purchase and Property website at <http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Contractors/Bidders **must** review this list prior to completing the below certification. **FAILURE TO COMPLETE THE CERTIFICATION WILL RENDER A CONTRACTOR'S/BIDDER'S PROPOSAL NON-RESPONSIVE.** If the Authority finds a person or entity to be in violation of law, it shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

PLEASE CHECK THE APPROPRIATE BOX:

☒ I certify, pursuant to Public Law 2012, c. 25, that neither the contractor/bidder listed above nor any of the contractor's/bidder's parents, subsidiaries, or affiliates is listed on the N.J. Department of the Treasury's list of entities determined to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and I am authorized to make this certification on its behalf. **I will skip Part 2 and sign and complete the CERTIFICATION below.**

OR

☐ I am unable to certify as above because the contractor/bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the Department's Chapter 25 list. I will provide a detailed, accurate and precise description of the activities in Part 2 below and sign and complete the CERTIFICATION below. **Failure to provide such will result in the proposal being rendered a non-responsive and appropriate penalties, fines and/or sanctions will be assessed as provided by law.**

**Part 2: PLEASE PROVIDE FURTHER INFORMATION RELATED TO
INVESTMENT ACTIVITIES IN IRAN**

You must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in the investment activities in Iran outlined above by completing the requested information below. Please provide thorough answers to each question. If you need to make additional entries, provide the requested information on a separate sheet

Name _____ Relationship to Contractor/Bidder _____

Description of Activities _____

Duration of Engagement _____ Anticipated Cessation Date _____

Contractor/Bidder Contact Name _____ Contact Phone Number _____

CERTIFICATION
MUST BE SIGNED BY BIDDER

I being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I attest that I am authorized to execute this certification on behalf of the above referenced person or entity. I acknowledge that the South Jersey Transportation Authority ("Authority") is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the Authority to notify the Authority in writing of any changes to the answers of information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the Authority and that the Authority at its option may declare any contract(s) resulting from this certification void and unenforceable.

FULL NAME (print): Michael P. Scheib SIGNATURE Michael P. Scheib

TITLE: President & CEO DATE: February 21, 2017



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
OFFICE OF THE DIRECTOR
33 WEST STATE STREET
P. O. BOX 039

TRENTON, NEW JERSEY 08625-0039

<https://www.njstate.gov>

Telephone (609) 292-4836 / Facsimile (609) 934-3575

CHRIS CHRISTIE
Governor

KIM GUADAGUINO
Lt. Governor

FORB M. SCUDDER
State Treasurer

IGNASIA DESAI-MCCLEARY
Director

The following list represents entities determined, based on credible information available to the public, to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25"):

| | |
|---|--|
| 1. Bank Markazi Iran (Central Bank of Iran) | 19. Indian Oil Corporation |
| 2. Bank Mellat | 19. Kogas P.C. |
| 3. Bank Melli Iran | 20. Maire Tecnimont SpA |
| 4. Bank Tejarat | 21. Naftiran Industrial Company (NICO) |
| 5. National Iranian Tanker Company (NITC) | 22. Oil and Natural Gas Corporation (ONGC) |
| 6. Aynona | 23. Oil India Limited |
| 7. Bank Saderat PLC | 24. Persia International Bank |
| 8. Bank Sepah | 25. PetroChina Company, Ltd. |
| 9. Belar | 26. Petroles de Venezuela (PDVSA Petroles, SA) |
| 10. Belneftkhim (Belarusneft) | 27. Samet Azar Tadjik Co. (SATCO) |
| 11. China International United Petroleum & Chemicals Co., Ltd. (Unipet) | 28. Shandong FAN CNC Machine Company, Ltd. |
| 12. China National Offshore Oil Corporation (CNOOC) | 29. SinoHydro |
| 13. China National Petroleum Corporation (CNPC) | 30. SKS Ventures |
| 14. China National United Oil Corporation (ChinaOil) | 31. Sonpetrol AS |
| 15. China Petroleum & Chemical Corporation (Sinopec) | 32. Zhuhai Zhantong Company |
| 16. China Precision Machinery Import-Export Corp. (CPMIEC) | |
| 17. Grimley Smith Associates | |

List Date: January 30, 2017

EXHIBIT G

NOTICE TO ALL PROPOSERS SET-OFF FOR STATE TAX

Please be advised that pursuant to P.L. 1995. c. 159, effective January 1, 1996 and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership, or S corporation under the Agreement to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services or construction projects and at the same time the taxpayer, or the partner or shareholder of that entity, is indebted for any State tax, the Director of the Division of Taxation shall seek to set-off that taxpayer's, partner's or shareholder's share of the payment due to the taxpayer, partnership, or S corporation. The amount of set-off shall not allow for the deduction of any expenses or other deductions which might be attributable to a partner or shareholder subject to set-off under this act. No payment shall be made to the taxpayer, the provider of goods or services, or the contractor or subcontractor of construction projects pending resolution of the indebtedness.

The Director of Division of Taxation shall give notice to the set-off to the taxpayer, the provider of goods or services, or the contract or subcontractor of construction projects and provide an opportunity for a hearing with thirty (30) days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State pursuant to P.L. 1987, c. 184 (c.52:32-32et seq.) to the taxpayer, the provider of goods or services, or the contractor or subcontractor of construction projects shall be stayed.

"I HAVE BEEN ADVISED OF THIS NOTICE."

COMPANY Inservco Insurance Services, Inc.

SIGNATURE Michael P. Scheib

NAME Michael P. Scheib

TITLE President & CEO

DATE February 21, 2017

EXHIBIT H

**NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION REQUIREMENT FOR
DISCLOSURE OF POLITICAL CONTRIBUTIONS**

All business entities are advised of their responsibility to file an annual disclosure statement of political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if they receive in excess of \$50,000.00 from public entities in a calendar year. Business entities are responsible for determining if filing is necessary. Additional information on this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us

**DISCLOSURE OF CONTRIBUTIONS TO NEW JERSEY ELECTION LAW ENFORCEMENT
COMMISSION IN ACCORDANCE WITH N.J.S.A. 19:44A-2027**

STATE OF Pennsylvania

:SS

COUNTY OF Dauphin

I, Michael P. Scheib of the City of Harrisburg in the County of
Dauphin and the State of Pennsylvania of full age, being duly sworn according
to law on my oath depose and say that:

I am Michael P. Scheib, a President & CEO in the firm of
(Name) (Title, Position, etc.)

Inservco Insurance Services, Inc. the Proposer making the Proposal in response to the
Request for Proposal to Furnish and Provide the Services referenced herein; that I executed said Proposal
with full authority to do so; and that the Proposer acknowledges our responsibility to file an annual
disclosure statement of political contributions with the New Jersey Election Law Enforcement
Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.27 if in receipt of in excess of \$50,000.00 from
public entities in a calendar year. I further acknowledge that business entities are solely responsible for
determining if filing is necessary and that all statements contained in said Proposal and in this affidavit
are true and correct, and made with full knowledge that the New Jersey Turnpike Authority relies upon
the truth of the statements contained in said Proposal and in statements contained in this affidavit in
awarding the Services Agreement for the Services.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such
Services Agreement upon an agreement or understanding for commission, percentage proposerage, or
contingent fee, except bona fide employees of the Proposer, and as may be permitted by law.

Michael P. Scheib

Print Name: Michael P. Scheib

Subscribed and Sworn to before me this 27th day of February 2017

Notary Public of Dauphin Co.

My Commission Expires: March 19, 2019

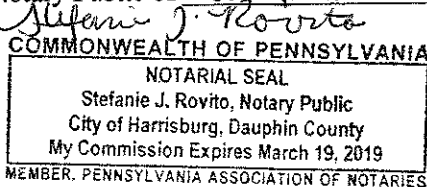


EXHIBIT I

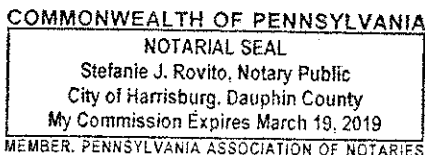
AFFIDAVIT OF NON-COLLUSION

STATE OF Pennsylvania

COUNTY OF Dauphin

The undersigned, being duly sworn according to law, deposes and says:

1. That, as the party submitting the foregoing Proposal, that such Proposal is genuine and not collusive or a sham; that said Proposer has not colluded, conspired, connived, or agreed, directly or indirectly, with any Proposer or person, to put in a sham Proposal or to refrain from participating in this solicitation, and has not, in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the price of affiant or of any other Proposer, or to fix any overhead, profit, or cost element of said price, or of that of any other Proposer, or to secure any advantages against the New Jersey Turnpike Authority ("Authority"), or any person interested in the proposed Services Agreement; and that all statements in said Proposal are true.
2. That he/she has not been convicted or found liable for any act prohibited by state or federal law involving conspiracy or collusion with respect to proposing or bidding on any public contract within the last three years. Such act or conviction does not automatically disqualify a Proposer, but may be grounds for administrative suspension or grounds for consideration by the Authority as to whether the Authority should decline to award the Services Agreement to such a Proposer on the basis of a lack of responsibility. If Proposer has been convicted of any act prohibited by state or federal law involving collusion with respect to proposing or bidding on any public contract within the past three years, Proposer should attach an explanation of the circumstances surrounding that conviction.



Inservco Insurance Services, Inc.

FIRM NAME

Michael P. Scheib

NAME

President & CEO

TITLE

Michael P. Scheib

SIGNATURE

Subscribed and sworn to and
before me this 27th day
of Feb, 2017.

Stefanie J. Rovito

STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE

DEPARTMENT OF TREASURY/
DIVISION OF REVENUE
P.O. BOX 252
TRENTON, N.J. 08646-0252

TAXPAYER NAME:
INSERVO INSURANCE SERVICES, INC.

TRADE NAME:

ADDRESS:
2 NORTH 2ND STREET
HARRISBURG, PA 17101

SEQUENCE NUMBER:

0108186

EFFECTIVE DATE:

12/03/01

ISSUANCE DATE:

02/16/16

James J. [Signature]
Director
New Jersey Division of Revenue

FORM BRC

EXHIBIT J

NJ DIVISION OF REVENUE BUSINESS REGISTRATION
[Attach]

For information regarding the New Jersey Division of Revenue Business Registration Requirement, Proposers can contact the Bureau of Client Registration at (609) 292-9292.

If you wish to file your application online, you may do so by visiting the following website:
<http://www.nj.gov/treasury/revenue/forms/njreg.pdf>

EXHIBIT K

SMALL BUSINESS ENTERPRISE / MINORITY BUSINESS / WOMAN OWNED BUSINESS

SMALL / MINORITY / WOMAN BUSINESS ENTERPRISE FORM

If Proposer is registered with the State of New Jersey as a Small Business Enterprise (SBE), and/or Certified as a Woman Business Enterprise (WBE) or Minority Business Enterprise (MBE) you must send a copy of the Registration/ Certification Form with your Proposal. Please check off the gross receipt category of your business if registered as an SBE

- SBE CATEGORY 1 \$0- \$500,000 _____
- SBE CATEGORY 2 \$500,001 thru \$5,000,000 _____
- SBE CATEGORY 3 \$5,000,001 thru \$12,000,000 _____
- NOT APPLICABLE X

SBE Registration # N . A .

Please check below if applicable

Woman Business Enterprise _____ Minority Business Enterprise _____

Proposer Name: Inservco Insurance Services, Inc.

EXHIBIT L

SMALL BUSINESS ENTERPRISE FORM

**SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE
PARTICIPATION**

**SMALL BUSINESS ENTERPRISE FORM
SBE FORM -- PROPOSED SCHEDULE OF SMALL BUSINESS ENTERPRISE
PARTICIPATION**

| NAME & ADDRESS OF SBE (SUB)CONSULTANT SUPPLIER | TYPE OF WORK TO BE PERFORMED | ESTIMATED PERCENTAGE OF (SUB)CONSULTANT WORK |
|---|---------------------------------|---|
| N.A. | | |
| | | |
| | | |
| | | |
| | | |

(Attach additional sheet if necessary)

Inservco Insurance Services, Inc.
Proposer (Print Name)

Proposer's SBE Liaison officer (if applicable)

Telephone Number

All Proposers must complete and submit this form with their Proposal (if no subcontracting is involved state so.)

EXHIBIT M

[Attach Certificate of Insurance or Letter from Broker]



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/22/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|--|--|------------------------------------|
| PRODUCER Arthur J. Gallagher Risk Management Services, Inc. 40 W. Front St. Media PA 19063 | CONTACT NAME: Tamieka Nuble | |
| | PHONE (A/C, No, Ext): 610-548-5111 | FAX (A/C, No): 610-565-1388 |
| INSURED Penn National Insurance P.O. Box 2361 Harrisburg, PA 17105 | E-MAIL ADDRESS: Tamieka_Nuble@ajg.com | |
| | INSURER(S) AFFORDING COVERAGE | |
| | INSURER A: Great Northern Insurance Company | |
| | INSURER B: | |
| | INSURER C: | |
| | INSURER D: | |
| INSURER E: | | |
| INSURER F: | | |
| NAIC # | | |

COVERAGES

CERTIFICATE NUMBER: 570214656

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---------------|-------------------------|-------------------------|--|
| | GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | | 73579303 | 3/1/2017 | 3/1/2018 | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/> | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | N/A | 71746889 | 3/1/2017 | 3/1/2018 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Inservco is a wholly-owned subsidiary of Penn National Insurance and is a named insured on Penn National Insurance policies listed above

CERTIFICATE HOLDER

CANCELLATION

NJ Turnpike Authority
P.O. Box 1121
New Brunswick NJ 08903
USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Deidre I. Frederick

© 1988-2010 ACORD CORPORATION. All rights reserved.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|---|---|-----------------------|
| PRODUCER Edgewood Partners Insurance Center 3 Landmark Square, 4th Floor Stamford CT 06901-2515 | CONTACT NAME: Rusty Briante | |
| | PHONE (A/C, No, Ext): 203-658-0511 | FAX (A/C, No): |
| | E-MAIL ADDRESS: rusty.briante@epicbrokers.com | |
| | INSURER(S) AFFORDING COVERAGE | NAIC # |
| | INSURER A: Hartford Casualty Ins. Co. | 29424 |
| | INSURER B: EXECUTIVE RISK IND INC | 35181 |
| | INSURER C: NAVIGATORS SPECIALTY INS CO | 36056 |
| | INSURER D: Property & Casualty Ins Co of Harfo | 34690 |
| | INSURER E: | |
| | INSURER F: | |

INSURED PENN1310P
Penn National Insurance
Two North Second Street
PO Box 2361
Harrisburg PA 17105-2361

COVERAGES**CERTIFICATE NUMBER:** 473705216**REVISION NUMBER:**

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

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSD WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-------------------------------------|-----------------------------|-------------------------|-------------------------|---|
| D | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER: | Y | 31UUNAN2498 | 3/1/2017 | 3/1/2018 | EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ | | 31RHUAN1765 | 3/1/2017 | 3/1/2018 | EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N <input type="checkbox"/> N/A | | | | PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| B C | Primary E&O Excess E&O | | 82116533 CE16MPL757734IC | 6/1/2016 6/1/2016 | 6/1/2017 6/1/2017 | Limit: \$2,000,000 Limit: \$3,000,000 Ded: \$100,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Inservco is a wholly-owned subsidiary of Penn National Insurance and is a Named Insured.

New Jersey Turnpike Authority, its Commissioners, officers, employees and agents are listed as Additional Insured as respects General Liability coverage only, as required by written contract currently in force.

CERTIFICATE HOLDER**CANCELLATION**New Jersey Turnpike Authority
Director of Law
P.O. Box 5042
Woodbridge NJ 07095-5042

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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EXHIBIT N

[Attach Audited Financial Statements or Federal Income Tax Returns for the Past 3 years]



Independent Auditor's Report

To the Board of Directors of
Inservco Insurance Services, Inc.:

We have audited the accompanying financial statements of Inservco Insurance Services, Inc., which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations and comprehensive income, of common stockholder's equity and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

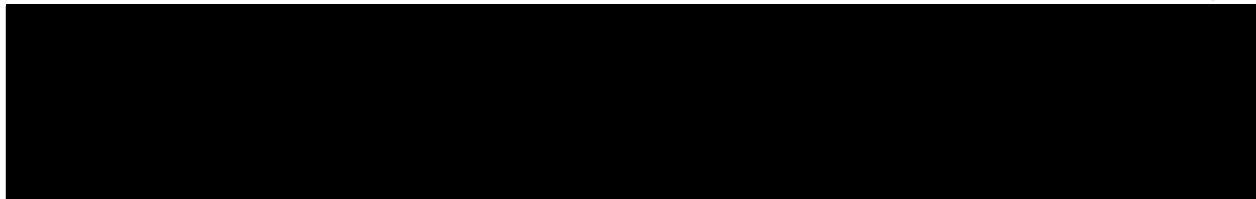
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inservco Insurance Services, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

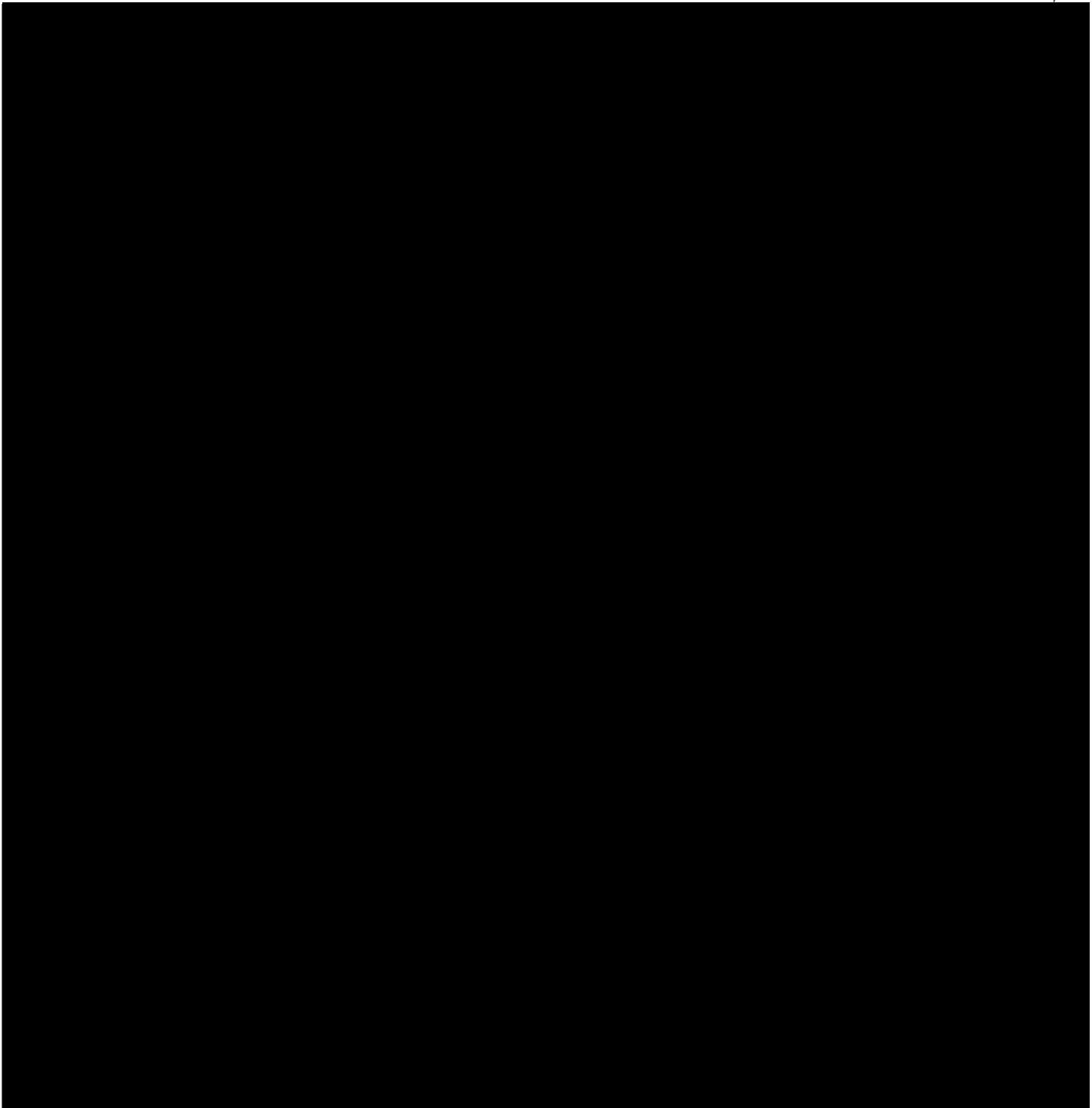
March 31, 2016



INSERVCO INSURANCE SERVICES, INC.

BALANCE SHEETS

As of December 31, 2015 and 2014

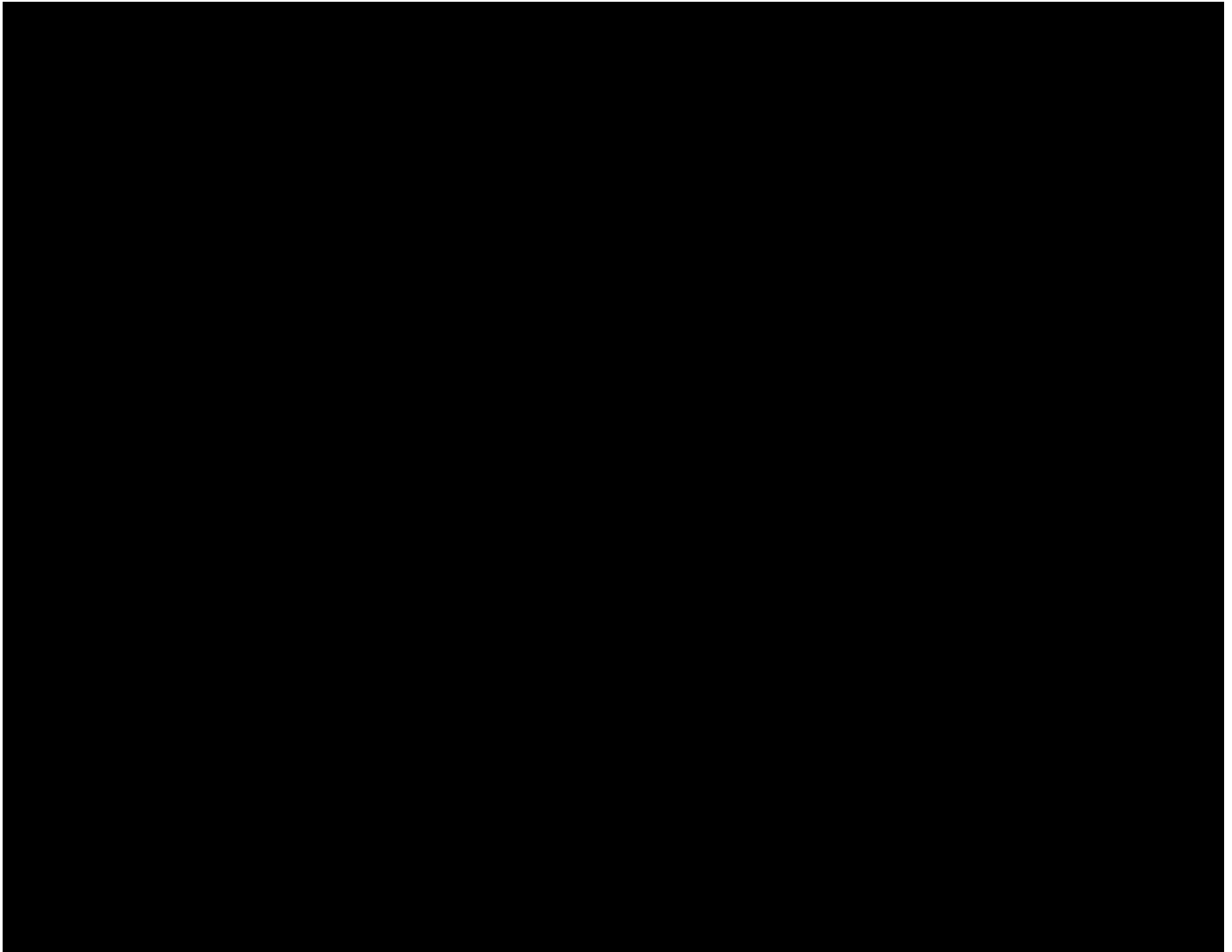


The accompanying notes are an integral part of these financial statements

INSERVCO INSURANCE SERVICES, INC.

**STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME**

For the Years Ended December 31, 2015 and 2014

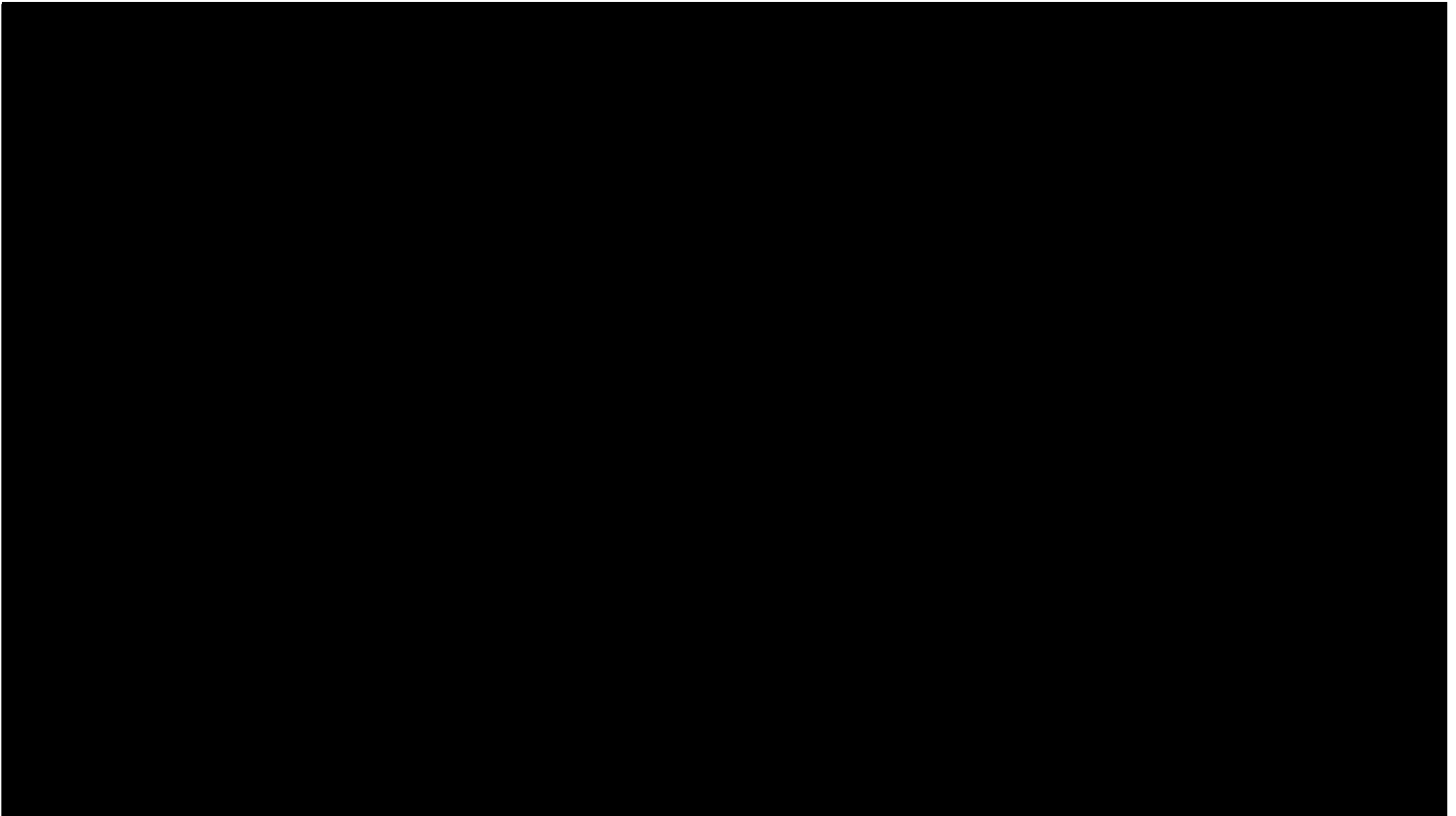


The accompanying notes are an integral part of these financial statements

INSERVCO INSURANCE SERVICES, INC.

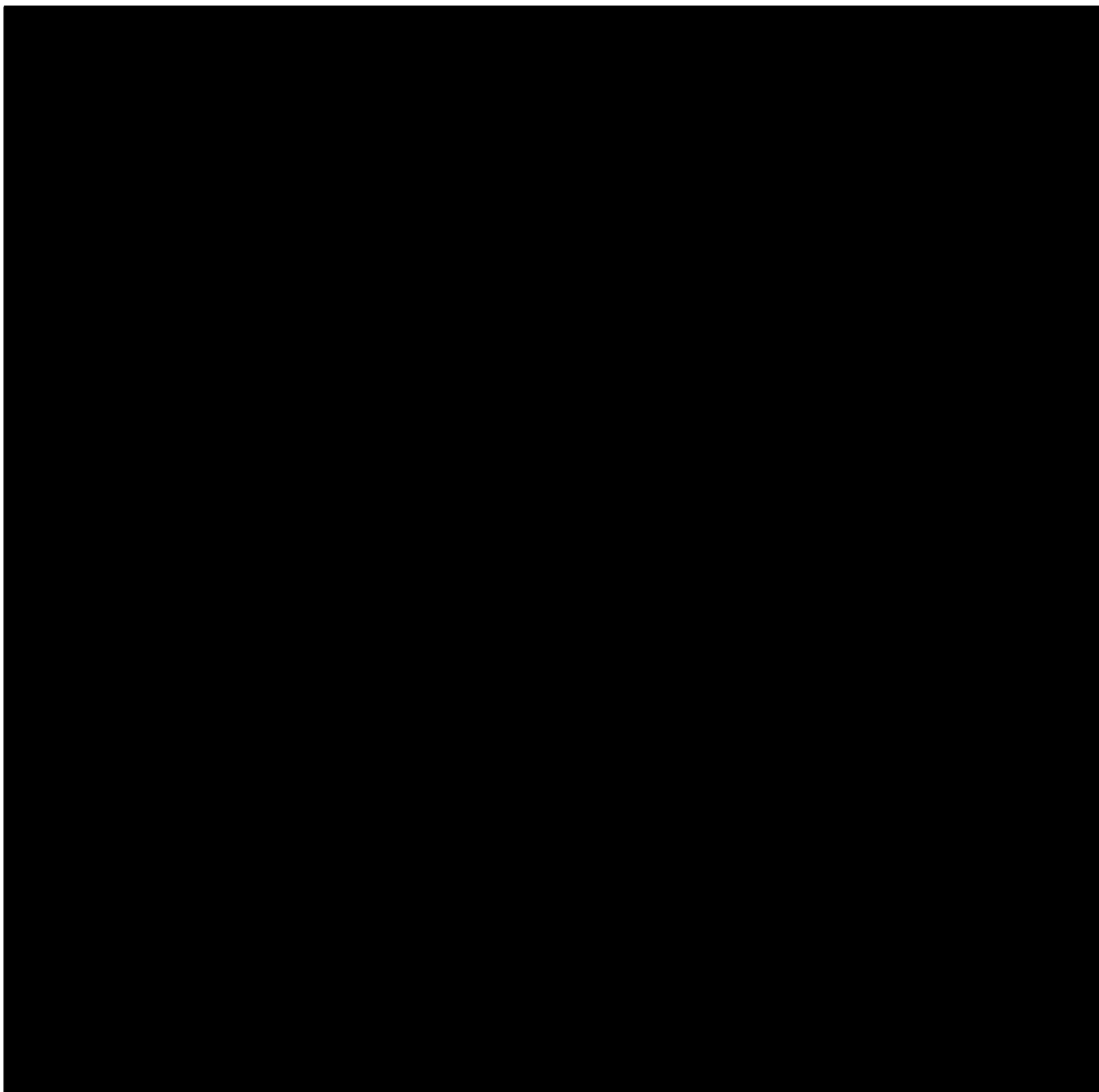
STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

For the Years Ended December 31, 2015 and 2014



The accompanying notes are an integral part of these financial statements

INSERVCO INSURANCE SERVICES, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014



The accompanying notes are an integral part of these financial statements



Independent Auditor's Report

To the Board of Directors and Stockholder of
Inservco Insurance Services, Inc.:

We have audited the accompanying financial statements of Inservco Insurance Services, Inc. ("the Company") which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations and comprehensive income, of common stockholder's equity and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

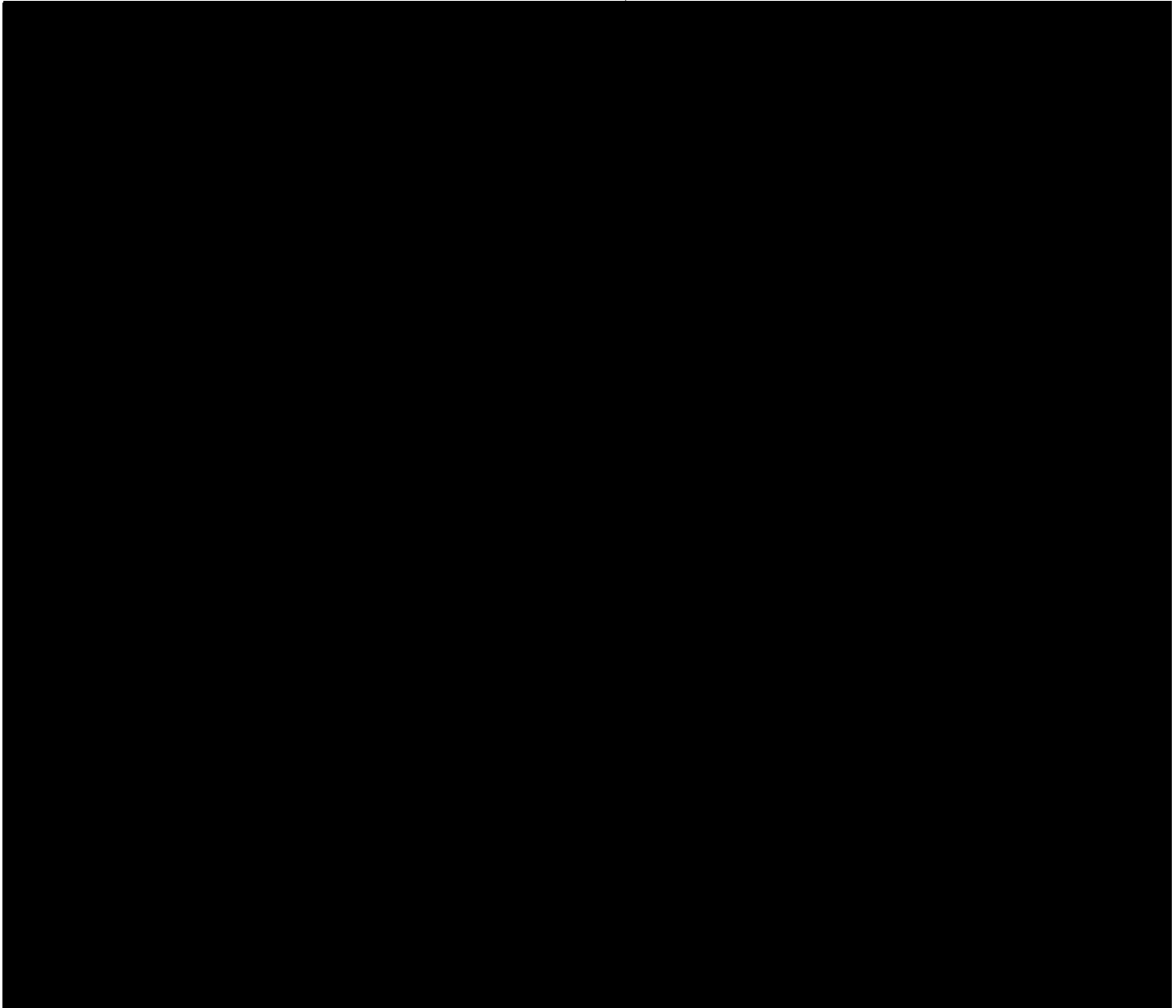
PricewaterhouseCoopers LLP

March 28, 2014

INSERVCO INSURANCE SERVICES, INC.

BALANCE SHEETS

As of December 31, 2013 and 2012

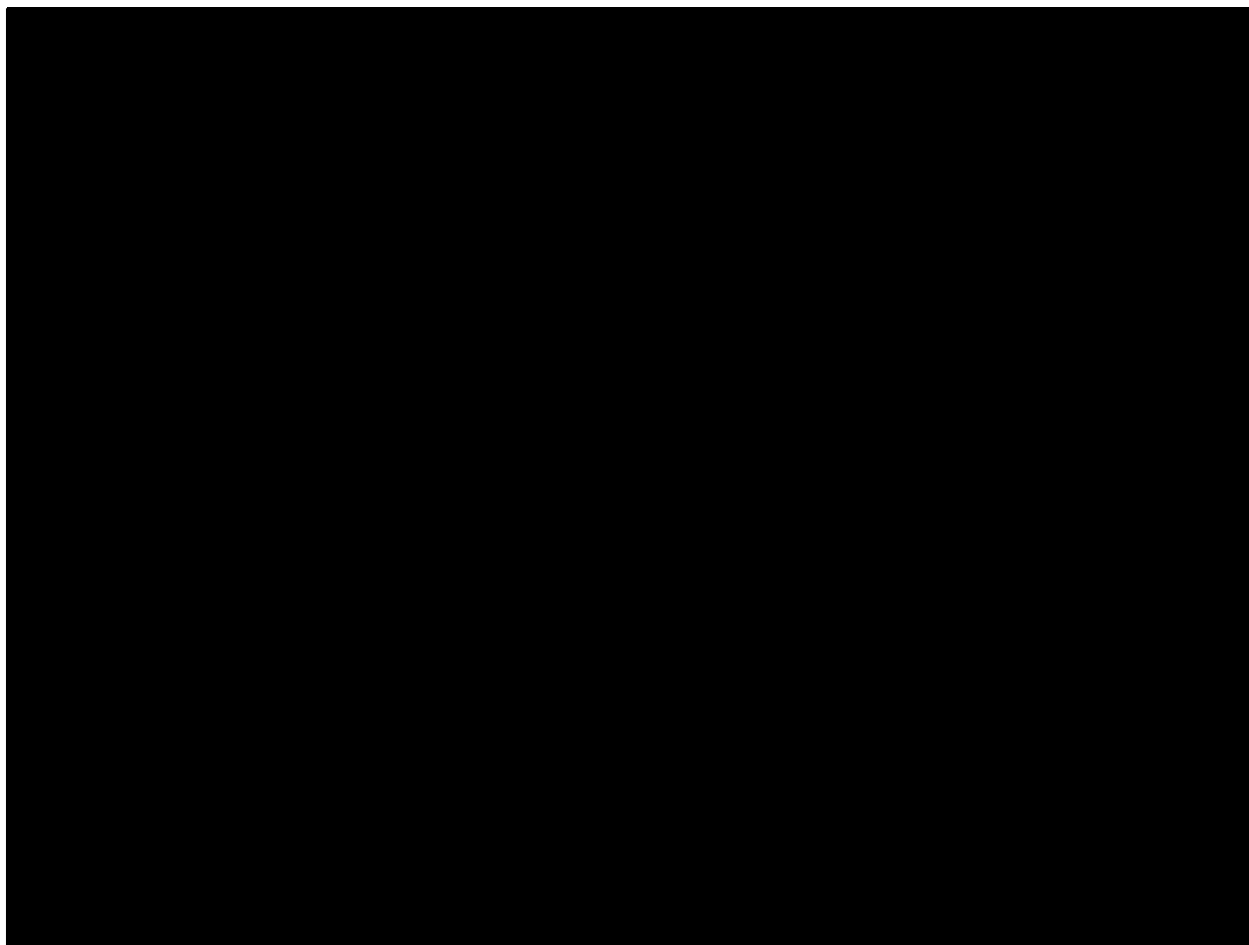


The accompanying notes are an integral part
of these consolidated financial statements.

INSERVCO INSURANCE SERVICES, INC.

**STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME**

For the Years Ended December 31, 2013 and 2012

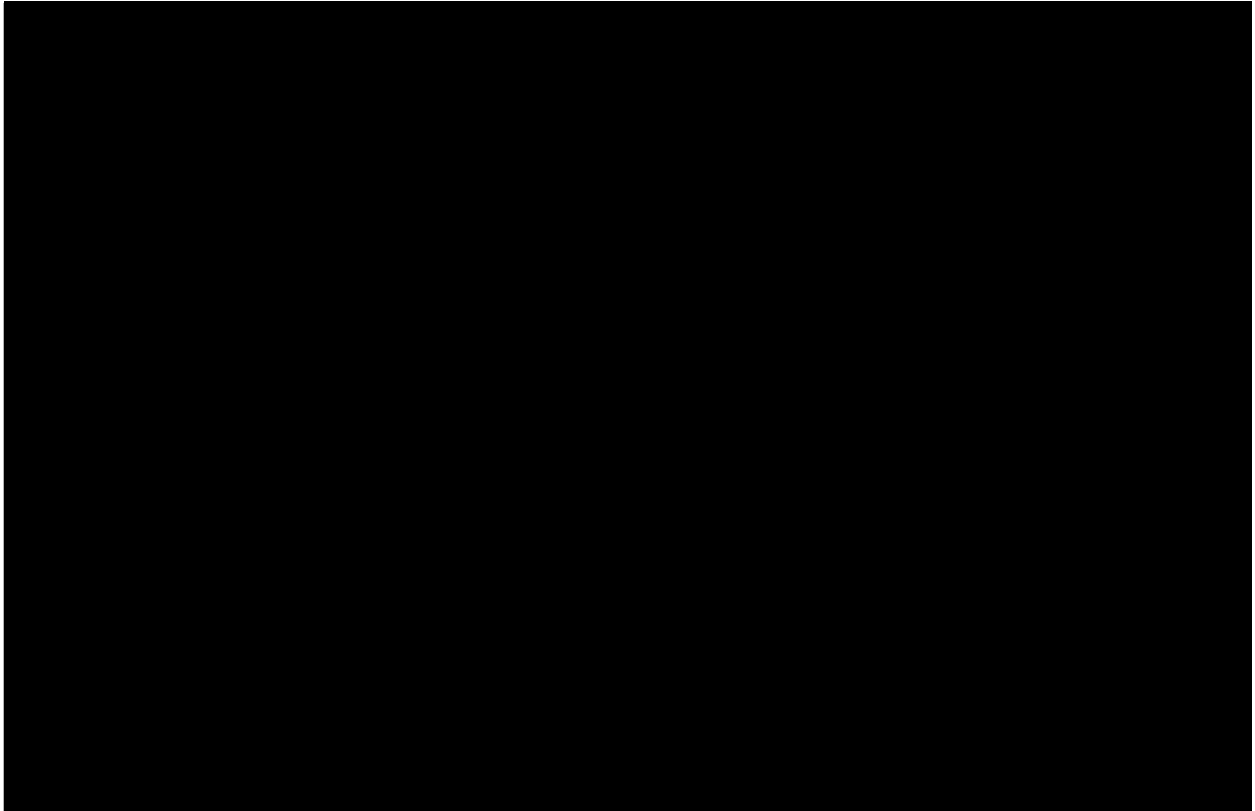


The accompanying notes are an integral part
of these consolidated financial statements.

INSERVCO INSURANCE SERVICES, INC.

STATEMENTS OF COMMON STOCKHOLDER'S EQUITY

For the Years Ended December 31, 2013 and 2012

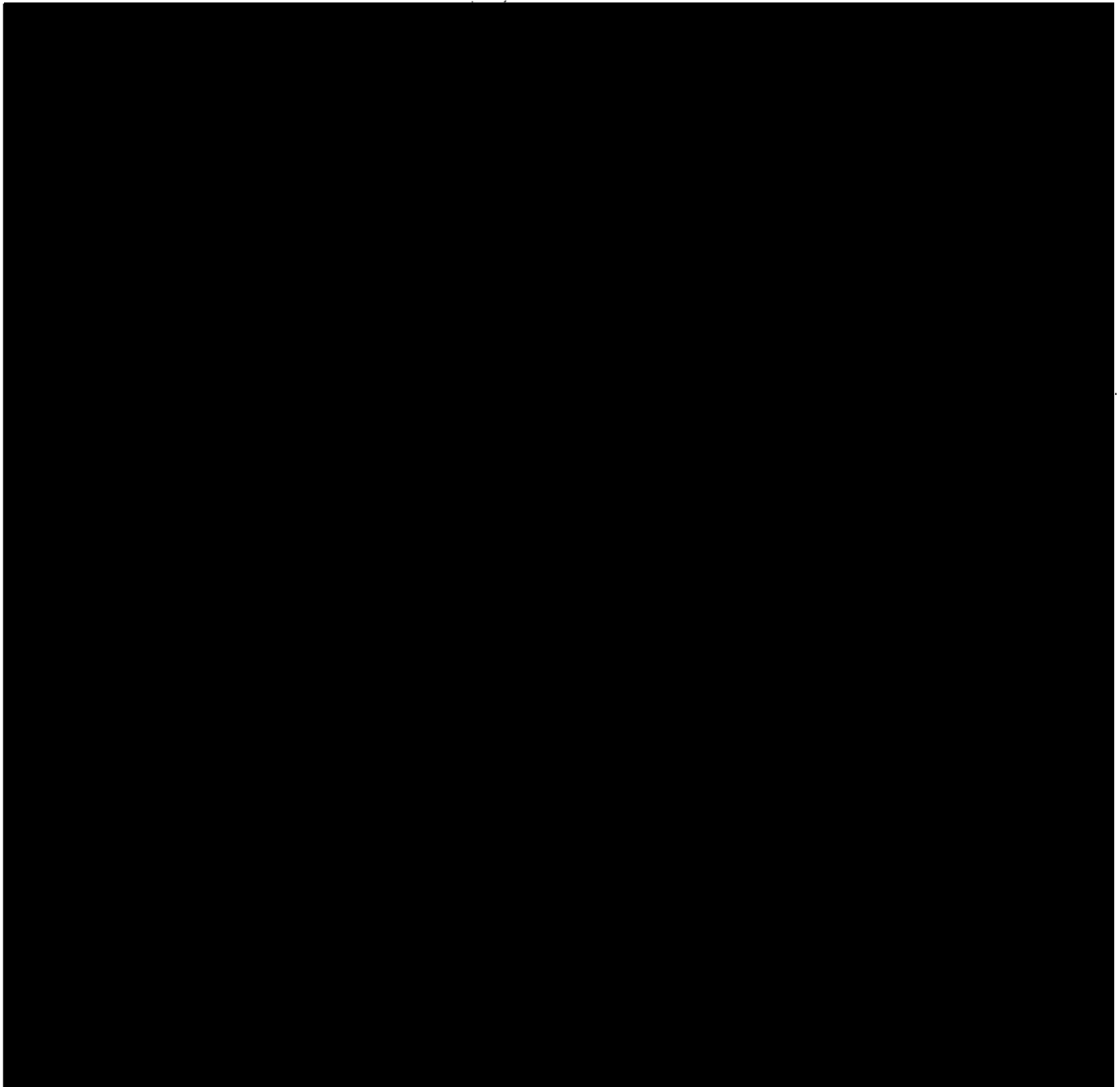


The accompanying notes are an integral part
of these consolidated financial statements.

INSERVCO INSURANCE SERVICES, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2013 and 2012



The accompanying notes are an integral part
of these consolidated financial statements.

APPENDICES

- 1. Draft Services Agreement**
- 2. State Contractor Political Contribution Compliance Public Law 2005, Chapter 51 and Executive Order 117**

Services Agreement

Exhibit A

[RFP]

APPENDIX 1
DRAFT SERVICES AGREEMENT

AGREEMENT FOR THIRD PARTY CLAIMS ADMINISTRATION SERVICES_

THIS SERVICES AGREEMENT (the "Agreement") is dated and effective _____, 201_ by and between the New Jersey Turnpike Authority, a body corporate and politic of the State of New Jersey, with its principal offices located at One Turnpike Plaza, Woodbridge, New Jersey 07095 (the "Authority"); and _____, a _____ of the State of _____, having its principal offices at _____ (the "Consultant").

WITNESSETH:

WHEREAS, the Authority requires the services of a professional firm with adequate staff and experience to provide third party claims administration services for the Authority's general liability, automobile, police professional and employment liability claims and to provide expert support services to the Authority's internal claims management system ; in accordance with a Request for Proposal, dated as of _____ (collectively, with all addenda, the "RFP", attached hereto as Exhibit A); and

WHEREAS, the Consultant is a professional company which is proficient in _____ and has submitted to the Authority a written proposal, dated _____; and

WHEREAS, the Consultant was invited to make an oral presentation to the Authority on _____, following which the Consultant was further invited to submit a best and final offer ("BAFO"); and

WHEREAS, on _____, the Consultant submitted in writing a BAFO which clarified and expanded upon the statements contained in the aforesaid _____ proposal (collectively, with the initial _____ proposal dated _____, 20__, the "Proposal", attached hereto as Exhibit B); and

WHEREAS, the Authority evaluated the Proposal in accordance with the criteria stated in the RFP and, after comparison with other submitted proposals was deemed to be the most advantageous to the Authority; and

WHEREAS, on _____ the Authority adopted Agenda Item _____ awarding a professional services contract to the Consultant; and

WHEREAS, the Authority wishes to memorialize and enter into this Agreement with the Consultant setting forth the terms and conditions of the parties' rights and obligations with respect to the procurement of the services as hereinafter defined;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:1. **DEFINITIONS.**

"Authority" shall mean the New Jersey Turnpike Authority as established in accordance with N.J.S.A. 27:23-1, *et seq.*, and shall be the members of the Authority acting in accordance with said statute.

"Consultant" shall mean _____, with its principal offices located at _____.

"Completion Consultant" shall mean the consultant that the Authority selects and uses, pursuant to Section 8 of the Agreement, to complete the Services upon termination of the Consultant pursuant to Section 7 hereof.

"Director" shall refer to the Authority's General Counsel or his/her designee acting on his/her behalf as employees of the Authority with regard to this Agreement.

"Services" shall refer to _____ in accordance with the Proposal and the RFP. The RFP and the Proposal are incorporated by reference into this Agreement and attached thereto as Exhibits A and B, respectively.

All other defined terms as used in this Agreement and not defined herein shall have the same meaning as defined and used in the RFP (Exhibit A) or the Proposal (Exhibit B), as the case may be.

2. **COMPENSATION.**

(a) The authorized amount of compensation to be paid to the Consultant under this Agreement shall be a [fixed] fee of \$_____ for _____ [and an amount not to exceed \$_____ for _____] in accordance with the Proposal. Payments shall include all professional fees, administrative service fees and all material expenses. The Authority shall have the right to audit all payroll and direct costs or expenses of the Consultant in accordance with Section 11 of this Agreement. The Consultant shall keep available, for Authority inspection, records of all costs and expenses for a period of not less than five (5) years after the term of this Agreement.

(b) No increase in the fees or expenses set forth in Section 2(a) hereof shall take effect unless such increased fees or expenses are approved by the members of the Authority in accordance with the statutes and laws of the State of New Jersey. The Consultant acknowledges and agrees to its responsibility to maintain control of all fees and expenses, and further acknowledges and agrees that the total compensation in the amount of \$_____ is a total amount not to be exceeded and is sufficient to complete the Services under the terms of this Agreement.

(c) Any payments made to the Consultant by the Authority under the terms of this

Agreement shall not be deemed a waiver of the Authority's right to seek damages for remediation in the event there are any deficiencies in the Services.

(d) In the event of any conflicting claim or claims by the Consultant regarding the right to receive payments that may be due, or to become due, from the Authority under the terms of this Agreement, the Authority may withhold the amount of payments pertinent to such conflicting claim or claims, as determined by the Authority, until such dispute, or disputes, be finally resolved to the reasonable satisfaction of the Authority.

3. **STANDARD OF CARE.** The Director may disapprove any item of Service rendered by the Consultant if it is not in accordance with the requirements of the Agreement or the standard of care of the Consultant as set forth herein. The Consultant represents and warrants that it shall exercise that degree of care and skill ordinarily exercised under similar circumstances by members of its profession performing the kind of services hereunder and practicing in the same or similar locality at the same time. In the event of non-fulfillment of the foregoing warranty, upon written demand of the Authority, the Consultant shall perform such corrective services (within the original scope of work) as may be necessary to conform to the foregoing warranty; provided further however, it is understood that the Director shall have the right throughout the term of the Agreement to review the Consultant's work and request reasonable remedial efforts and corrections, provided that such changes or corrections are substantially consistent with the RFP and the Proposal, and are limited to ensuring that the Consultant has provided the Services in accordance with the requirements of this Agreement and this standard of care. All costs incurred by the Consultant in performing any corrective Services shall be borne by the Consultant.

4. **SERVICES.** The Consultant represents itself to be experienced and competent to perform the Services in accordance with the requirements of this Agreement and the Standard of Care set forth in Section 3 herein. The Consultant agrees that the Services to be performed hereunder shall be those specified in the RFP and the Proposal. Should any ambiguity or conflict exist among the Agreement, the RFP, and the Proposal in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the hierarchy set forth in Section 25.

5. **TERM.** This Agreement shall be in effect for a period of three (3) year(s) from the effective date of this Agreement. This Agreement also provides the Authority with the option for two (2) additional (1) year extension(s) of the Services with the concurrence of the Consultant for additional services necessary or incidental to the subject matter of this Agreement. During the term of the Agreement the Authority will have the right to procure additional services at the pricing and in conformity with the Services outlined in the Proposal.

6. **PERSONNEL.** The Consultant agrees that the key personnel identified in the Proposal will be those individuals that are assigned to the Services, and that the assignment of such individuals is a material term of this Agreement. The Consultant

agrees to promptly notify the Authority in writing of the identity of any individuals that it desires to assign to perform the Services as a replacement for, or in addition to, the key individuals named and listed in the Proposal. All replacements shall be subject to the approval of the Authority; provided, however, that such approval will not be unreasonably withheld if any replacement possesses qualifications and experience that are equal to, or greater than, the subject of the replacement.

7. TERMINATION. This Agreement at the discretion of the Authority may be terminated or suspended by the parties pursuant to the following terms and conditions;

(a) The Authority may terminate the Agreement as follows:

- (i) Immediately upon failure by the Consultant to remedy a material breach of its obligations under of this Agreement within five (5) days of the date of written notice from the Authority of such material breach;
- (ii) For convenience, upon thirty (30) days prior written notice by Authority;
- (iii) If the Consultant shall become insolvent or make an assignment for the benefit of the creditors or files a voluntary petition in bankruptcy, or if any involuntary petition in bankruptcy is filed against the Consultant and the act of bankruptcy alleged is not removed or dismissed within sixty (60) days;
- (iv) Immediately upon the indictment of an owner of Consultant.

Then and in such case, the Authority may at its option forthwith terminate this Agreement;

(b) The Consultant may terminate the Agreement as follows:

- (i) Upon thirty (30) days prior written notice to the Authority from the Consultant upon failure to remedy a material breach of its obligations under this Agreement within thirty (30) days of the written notice from the consultant to cure such material breach;

8. RIGHTS UPON TERMINATION. In the event of a termination, pursuant to Section 7 hereof, the total amount paid to the Completion Consultant exceeds the compensation stated in this Agreement, the Consultant shall pay the Authority any reasonable excess cost incurred by the Authority as a result of engaging the Completion Consultant.

9. OBLIGATION FOR TRANSITION. At such time as this Agreement is terminated, whether pursuant to Section 7 hereof or by the expiration of the term and/or extension of the term pursuant to Section 5 hereof, the Consultant will make all reasonable efforts, in cooperation with the Authority and such parties as may be selected by the Authority to perform the Services after the termination of this Agreement

in order to effect a smooth transition of services. In furtherance of this commitment, the Consultant shall, for example, but without limitation, retain and timely transfer all relevant files (including electronic files) to the appropriate recipient, confer with the Authority, and with any other party at the Authority's instruction.

10. FORCE MAJEURE. Neither party shall be liable for any delays or failure in performance due to causes beyond its control, including but not limited to, acts of any government, war, natural disasters, strikes, civil disturbances, fires, equipment failure or failures of third parties to provide (or delays in so providing) equipment, software or services. The parties shall act, to the extent reasonably possible, to minimize any such delays. In the event either party is subject to delays due to such a cause for more than sixty (60) days, either party may, at its option, terminate this Agreement for convenience upon written notice to the other, or, upon mutual agreement, extend the time for performance by the period of time equal to the time lost, whether the delay is less than sixty (60) days or not.

11. RIGHT TO AUDIT. Consultant shall:

(a) Permit during ordinary business hours for the term of this Agreement and for a period of five (5) years after final acceptance of the Services, the examination and audit by the officers, employees and representatives of the Authority of such records and books relating to the Services and also any records and books of any company which is owned or controlled by the Consultant, or which owns or controls the Consultant, if said company performs services similar to those performed by the Consultant anywhere in the State of New Jersey.

(b) If any audit pursuant to Section 11(a) requires the Authority's officers, employees and representatives to travel outside the State of New Jersey to the Consultant's principal place of business where the Consultant's records and books are maintained, then the Consultant shall bear the additional cost of the audit.

(c) The Authority shall provide reasonable prior notice to the Consultant of any anticipated audit under this Section.

12. INSURANCE. The Consultant shall procure and maintain at its own expense, for the entire term of the Agreement, insurance for liability for damages imposed by law, in accordance with Section V of the RFP.

NOTWITHSTANDING THAT MINIMUM AMOUNTS OF INSURANCE COVERAGE CARRIED OR REQUIRED TO BE CARRIED BY THE CONSULTANT ARE SPECIFIED HEREIN, THE LIABILITY OF THE CONSULTANT SHALL NOT BE LIMITED TO THE AMOUNTS SO SPECIFIED AND SHALL EXTEND TO ANY AND ALL LIABILITY IN EXCESS OF THE INSURANCE COVERAGES SO PROVIDED NOR SHALL THESE MINIMUM LIMITS PRECLUDE THE AUTHORITY FROM TAKING ANY ACTION AVAILABLE TO IT UNDER THE PROVISIONS OF THE AGREEMENT OR OTHERWISE IN LAW OR EQUITY.

13. INDEMNIFICATION. The Consultant agrees to defend, indemnify and save

harmless the Authority, its officers, employees, and agents and each and every one of them against and from all liabilities, judgments, threatened, pending or completed actions, suits, demands for damages or costs of every kind and description actually and reasonably incurred (including attorneys' fees and costs and court costs) (collectively "Liabilities") including, without implied limitations, Liabilities for damage to property or Liabilities for injury or death of the officers, agents and employees of either the Consultant or the Authority), resulting from any act or omission or willful misconduct of the Consultant or any of its officers, agents, sub-consultants, or employees in any manner related to the subject matter of this Agreement. In the event that the Consultant fails to defend, indemnify and save harmless the Authority, its officers, employees, and agents and each and every one of them in accordance with this Section, any money due to the Consultant under and by virtue of this Agreement as shall be considered necessary by the Authority may be retained by the Authority and held until any and all Liabilities shall have been settled and suitable evidence to that effect furnished to the Authority. The obligations in this Section shall survive the termination, expiration or rescission of this Agreement.

14. EEO/AFFIRMATIVE ACTION. The Consultant agrees that it does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Employment Opportunity Commission of the United States of America, or the Division on Civil Rights of the New Jersey Department of Law and Public Safety; and that it does not discriminate against any person or persons on the basis of race, religion, color, national origin, nationality, ancestry, sex, marital status, domestic partnership status, familiar status and affectional or sexual orientation.

In addition, the Consultant agrees to complete the appropriate forms attached as follows:

- (a) Mandatory Affirmative Action Language; and
- (b) State of New Jersey Affirmative Action Employee Information Report ("Form AA-302")

However, if the Consultant maintains a current Letter of Federal Approval, or a current Certificate of Employee Information Report Approval as issued by the Department of the Treasury, State of New Jersey, it may be submitted in lieu of the Form AA-302.

15. DIVISION OF REVENUE REGISTRATION. [Pursuant to the terms of *N.J.S.A.* 52:32-44, the Consultant is required to provide to the Authority proof of valid business registration with the Division of Revenue in the Department of the Treasury, prior to entering into an agreement with the Authority. No agreement shall be entered into by the Authority unless the Consultant first provides proof of valid business registration. The Consultant is required to receive from any sub-consultant it uses for goods and services under this Agreement, proof of valid business registration with the Division of Revenue. No sub-consultant agreement shall be entered into on account of any agreement with the Authority unless the sub-consultant first provides proof of valid business registration.

16. CONFIDENTIALITY.

(a) Each party agrees that all information and materials shared under the terms of this Agreement are privileged and shall be held in strict confidence by the receiving party and shall only be used in connection with the purposes of this Agreement to conduct such other activities as are necessary and proper to carry out the purposes of this Agreement. Each party shall take all necessary and appropriate measures to ensure that any person who is granted access to any shared information or materials or who participates in work on common projects or who otherwise assists any counsel or technical consultant in connection with the performance of this Agreement complies with the terms of this Agreement. Each party shall protect from disclosure all information and materials shared by the parties and their respective counsel, or with technical consultants, to the fullest extent permitted by law.

(b) Upon the termination or expiration of this Agreement, to the extent reasonably practicable, confidential materials shall be returned to the disclosing party, including all copies thereof. Following termination, each party shall remain obligated to preserve the confidentiality of all confidential information received or disclosed pursuant to this Agreement.

(c) In the event information or materials disclosed under this Agreement are sought by a third party by way of subpoena, request pursuant to the Open Public Records Act, *N.J.S.A. 10:4-6 et seq.*, or by any other manner, the party receiving the request will promptly notify the other party to enable it to respond to such request and each party shall take all necessary and appropriate steps to invoke any applicable privileges to prevent disclosure, and the Consultant shall have primary responsibility to defend any attempt by a third party to obtain from the Authority any information which the Consultant considers to be confidential.

17. NEWS RELEASES. No news releases pertaining to the Services shall be made without the Authority's prior approval which shall not be unreasonably withheld, conditioned or delayed.

18. NOTICES. Any notices to the Parties pursuant to the terms of this Agreement shall be in writing and addressed to:

As to [Consultant]:

As to New Jersey Turnpike Authority:

General Counsel
Bruce A. Harris
New Jersey Turnpike Authority
P.O. Box 5042
Woodbridge, New Jersey 07095

19. **PERSONAL LIABILITY.** In carrying out the provisions of this Agreement, or in exercising any power or authority granted it by its position, the Consultant agrees that neither the members of the Authority nor any officer, agent or employee of the Authority shall be personally charged by the Consultant with any liability.

20. **APPLICABLE LAWS.** The Consultant shall perform the Services in compliance with all applicable Federal, state, and local laws, ordinances, rules, regulations and orders.

21. **GOVERNING LAW.** The terms of this Agreement shall be governed by and construed under the laws of the State of New Jersey. Any action brought by either party involving any dispute related to this Agreement shall be brought only in the Superior Court of the State of New Jersey.

22. **INDEPENDENT CONSULTANT.** Neither party shall be considered nor hold itself out as an agent of the other, it being acknowledged that neither party has the authority to bind the other. The Consultant shall perform the Services as an independent contractor.

23. **ASSIGNMENT.** This Agreement, or any part thereof, shall not be assigned by the Consultant, without the specific prior written permission of the Authority. Any attempted assignment without such prior permission shall be null and void.

24. **FOREIGN CORPORATION.** The Consultant agrees that, if applicable, it shall register as a "Foreign Corporation" with the Office of the Secretary of New Jersey, designating a resident agent for the service of process and shall provide written proof of such registration prior to the Authority's execution of this Agreement.

25. **INTEGRATION.** This Agreement, together with Exhibits A and B, constitutes the entire Agreement between the parties and supersedes all provisions, agreements, promises, representations, whether written or oral, between the parties with respect to the subject matter herein.

Should any ambiguity or conflict exist among this Agreement, Exhibit A (the RFP) and Exhibit B (the Proposal) in the interpretation, scope or content of any term or condition, the language in the body of each of these documents shall supersede one another and control according to the following hierarchy:

- (a) Agreement;
- (b) RFP (Exhibit A)
- (c) Proposal (Exhibit B);

[Notwithstanding the foregoing, the following sections of the Proposal shall take precedence over Section _____ of the RFP.]

26. PARTIES BOUND. This Agreement shall be binding upon the Consultant and the Authority, their respective successors and assigns.

27. SEVERABILITY. If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, then, notwithstanding such invalidity or illegality, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision did not exist herein.

28. CODE OF ETHICS. The Consultant is advised that the Authority has promulgated a Code of Ethics pursuant to the laws of the State of New Jersey, a copy of which has been previously provided. By entering into this Agreement, the Consultant agrees to be subject to the intent and purpose of said code and to the requirements of the State Ethics Commission.

29. PROFESSIONAL SERVICES AGREEMENT. This Agreement between the parties is an Agreement for Professional Services within the meaning of the Statutes and Laws of the State of New Jersey.

30. SECTION HEADINGS. The Section headings herein contained have been inserted only as a matter of convenience or reference and in no way define, limit or describe the scope or intent of any terms or provisions of this Agreement.

[Signatures on following page]

IN WITNESS THEREOF, the Parties have caused their duly authorized representatives to execute this Agreement and to affix their respective corporate seals on the day and year first above written.

ATTEST:

NEW JERSEY TURNPIKE AUTHORITY

Kim Schurman
Secretary to the Authority

[Corporate Seal]

By: _____
Joseph W. Mrozek
Executive Director

Approved by the Law Department

ATTEST:

NAME OF CONSULTANT

[Name]
[Title]
[Corporate Seal]

By: _____
[Name]
[Title]

Sample Contract

SERVICE AGREEMENT FOR ADMINISTRATION OF SELF-INSURANCE PROGRAM

This Agreement, made and entered into this ____ day of _____, 20__, by and between INSERVCO INSURANCE SERVICES, INCORPORATED, a Pennsylvania corporation with its principal place of business in Harrisburg, Pennsylvania, Dauphin County, (the "Company") and _____, with principal offices located in _____, New Jersey, (the "Self-Insured").

In consideration of the mutual promises and agreements contained in this Service Agreement, and intending to be legally bound, the parties agree as follows:

A. DEFINITIONS.

The following definitions will apply to the words and phrases when used in this Agreement:

1. "Allocated Expenses" shall mean all items of expenses, including, but not limited to attorneys' fees, photographers' fees, expert witnesses', fees for medical examinations for claim evaluation purposes, court costs, travel expenses for witnesses, medical management including bill repricing, vocational rehabilitation, court reporters' fees, costs or expenses relating to the investigation, negotiation, settlement, or defense of any claim and as may be necessary for the handling of subrogation cases. Except for legal fees and capped attorney fees, such Allocated Expenses shall require specific prior written or verbal approval of Self-Insured.
2. "Catastrophic Loss" shall mean a claim involving multiple (10 or more) claimants resulting from the same occurrence, accident, etc. In the event of multiple claimants, each claimant, No. 10 and above, will be considered a separate claim and a \$250 per claim fee charged.
3. "Claims Administration Services" shall mean those services provided by the Company as further described in Section B (1) in this Agreement.
4. "Discretionary Settlement Authority Limits" shall mean the authority to settle claims for up to \$10,000 for the Company,
5. "Program" shall mean the Self-Insured's insurance program.
6. "Administrative Account" an account used to pay for expenses associated with the Program that are not able to be allocated to any particular claim file. An authorize representative of the Self-Insured shall direct all disbursements from this account.

B. OBLIGATIONS OF THE COMPANY.

1. With regard to Claims Administration Services, the Company agrees to:
 - a) Review all Self-Insured's Report of Claim forms submitted by the Self-Insured in which the dates of injury fall during the term of this Agreement and to conduct such investigation as the circumstances of each case dictate;
 - b) Establish and maintain estimated reserve figures for each claim file and to consult with the Self-Insured with respect to payment of any case that is over Company's discretionary settlement authority;
 - c) Furnish all claim forms necessary for proper claims administration;
 - d) Maintain claim files for each reported claim throughout the life of the claim (in paper or imaged format), retain all closed files for a period of three (3) years following closing of the file, and, after three years, return the closed files to Self-Insured;
 - e) As soon as reasonably practicable following the end of each month, furnish to the Self-Insured statistical information consisting essentially of the following details:
 - (i) The total number of claims reported to the Company during the preceding month;
 - (ii) The total amounts paid by the Company during the preceding month and a breakdown of said total on a "by line" basis;
 - (iii) The amounts paid by the Company during the preceding month on each individual case on a "by line" basis;
 - (iv) The amounts paid to date on each open claim or claim closed during the preceding month; and
 - (v) Outstanding reserves on each individual case on a "by line" basis;
 - f) Transmit, weekly, to the Self-Insured a list of all medical and indemnity benefits and Allocated Expenses to be paid, the total of which represents the amount that the Self-Insured shall immediately make available in its account for payment of that week;
 - g) Issue Company or Self-Insured drafts or checks for payment of benefits and Allocated Expenses, said drafts or checks being paid from an account maintained by the Company at a bank of its choice with fees or charges in connection with the account being the responsibility of the Company;
 - h) Upon any termination of this Agreement, renegotiate the amount of the funds to be made available by the Self-Insured to conclude cases under the provisions of Section F.5. herein

and at the conclusion of all services under this Agreement to have a final reconciliation of the account and to leave any unused funds for use of the Self-Insured;

- i) Notify the Self-Insured and excess insurance carrier of any specific case that may involve the Self-Insured's excess insurance carrier for the program being administered by the Company. The Company will comply with all claims reporting requirements of the excess carrier. The Client's failure to timely provide copies of the excess insurance policies and any necessary information that is reasonably required to report such claims shall relieve the Company of its obligation to report to the Client's excess carrier;;
 - j) Provide all necessary subrogation services within claims management fee;
 - k) Attend any regularly scheduled Self-Insured claims meetings to review claims;
 - l) Notify the Self-Insured and seek approval for any claim requiring litigation as soon as reasonably practical;
 - m) Safety management/loss control services;
 - n) Maintain and supervise such personnel as may be necessary to perform Company's duties hereunder, with the hiring, assignment and termination of such personnel being at the sole discretion of the Company; and
 - o) Maintain professional liability insurance coverage to insure against any claim for damages arising out of or by reason of any acts or omissions directly or indirectly in connection with the Company's performance of its services under this Agreement.
2. The Company acknowledges and agrees that if the Self-Insured has now, or creates in the future, an Administrative Account then the Company will process for payment, from the Administrative Account, only those expenses that are submitted by the Self-Insured that have been approved by at least one authorized representative of the Self-Insured. The Self-Insured shall designate in writing those individuals that authorized to direct such payments. The Self-Insured designates [LIST ALL NAMES] as authorized representative(s) for this purpose. The Self-Insured further acknowledges and agrees that the Company, its affiliates, or any of their respective officers, directors, employees, or representatives shall not be required to review for the authenticity, legitimacy or validity of the expenses to be paid from the Administrative Account. The Self-Insured's authorized representative(s) are solely responsible to review, approve and direct payments made from the Administrative Account. In no instance shall the Company be considered a fiduciary of the Administrative Account. The Self-Insured shall indemnify for all expenses and hold harmless the Company for any negligent, reckless or willful misconduct by the Self-Insured's authorized representative in reviewing, approving and directing payment from the Administrative Account.
3. is understood and agreed that the Company will not perform, and the Self-Insured will not request the Company to perform, any services which may constitute the practice of law.

C. OBLIGATIONS OF THE SELF-INSURED.

1. The Self-Insured agrees to:
 - a) Promptly report all claims to the Company;
 - b) Pay to the Company the service fees as set forth in this Paragraph F of this Agreement;
 - c) Make available immediately in its account a sum equal to the weekly list of payments and Allocated Expenses supplied by the Company;
 - d) Assume the cost of defense of any action on behalf of the Company, its agents or employees, if any of them are named as a defendant(s) in any action: (i) where the plaintiff's cause of action involves a claim hereunder; and (ii) where there are no allegations of errors, omissions, torts, intentional torts or other negligence on the part of the Company;
 - e) Select legal counsel from list supplied by the Company or select own counsel, and having so acted, permit the Company to assign cases and/or to consult with such counsel as the Company may deem appropriate; and
 - f) Provide the Company with such additional information with respect to matters incidental to the Company's performance of services under this Agreement as may be requested by the Company from time-to-time.
 - g) Provide copies of the excess insurance policies for the Program.
2. The Self-Insured shall be responsible at all times for the payment of all claims and Allocated Expenses covered by the claims administration services provided by the Company pursuant to this Agreement.
3. The Self-Insured shall cooperate with the Company in the performance of its claims administration services hereunder. The Company shall not be liable for any breach of obligations under this Agreement caused in whole or in part by the lack of cooperation or breach of obligations by the Self-Insured.

D. INDEMNIFICATION.

1. The parties agree to indemnify and hold the other party, its employees, and owners harmless from any liability, loss, cost, damage, or expense, including attorney's fees, arising out of or incident to the other party's performance of the terms of this Agreement. The parties shall further indemnify, defend and hold harmless the other party, its officers, directors, employees or agents from and against and in respect to any and all liability, loss, cost, damage or expense, including reasonable attorney's fees, that party shall incur or suffer, which arises out

of, respect from or relate to any negligent act or gross or willful misconduct in the performance of a party's obligation under this Agreement by its officers, directors, employees, or agents.

2. In addition to Self-Insured's duty to indemnify Company as set forth above, Self-Insured further agrees that 1) in the event a court of competent jurisdiction holds the Company liable for bad faith, as the term is applied to insurance carriers, then Self-Insured will indemnify and hold Company harmless from any liability, loss, cost, damage, or expense, including attorney's fees, that results from that court's decision; and 2) in the event that the complained of action was taken by the Company at the specific direction of, or in reliance upon statements made by, the Self-Insured, then the Self-Insured will indemnify and hold the Company harmless from any liability, loss, cost, damage, or expense, including attorney's fees that result from Self-Insured's direction.
3. The defense, including legal fees and costs together with the amount of any judgment, of any legal action against Self-Insured arising out of a claim for coverage under the Program, shall be the responsibility of the Self-Insured and shall not be an obligation of the Company.
4. The Company shall not, by entering into and performing services in accordance with the terms of this Agreement, become liable for any of the existing or future obligations, liabilities, or debts of the Self-Insured.
5. The indemnifications provided for by this section shall survive the termination of this Agreement.

E. LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE COMPANY SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES, OR DAMAGES RESULTING FROM THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT, HOWEVER ARISING, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. COMPANY'S LIABILITY FOR DAMAGES ARISING OUT OF, RELATING TO OR IN ANY WAY CONNECTED WITH THE RELATIONSHIP OF THE PARTIES, THIS AGREEMENT, ITS NEGOTIATION OR TERMINATION, DOCUMENTATION OR SERVICES (WHETHER IN CONTRACT, TORT, OR OTHERWISE) SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY SELF-INSURED TO COMPANY UNDER THIS AGREEMENT. THE PARTIES AGREE TO THE ALLOCATION OF LIABILITY SET FORTH IN THIS SECTION ENTITLED "LIMITATION OF LIABILITY". SELF-INSURED ACKNOWLEDGES THAT WITHOUT ITS AGREEMENT TO THE LIMITATIONS CONTAINED HEREIN, THE FEES CHARGED FOR THE SERVICES WOULD BE HIGHER.

F. FEES, TERM & TERMINATION.

1. Except as otherwise provided for in Paragraph F.4. below, the term of this Agreement shall be for XX year(s) beginning on x/xx/xx and ending on x/xx/xx.
2. Fees for claims administration services under this Agreement and for the term specified in Paragraph F.1 above are as follows:
 - a) Guaranteed fee of \$ _____ for one year, from _____ through _____
 - b) The Company fixed fee includes all new claims as of the effective date of this Agreement and all open claims incurred through _____. The claims management fixed fee does not include usual Allocated Expenses or catastrophic losses, PPO Savings at _____ % of savings.
3. Monthly invoices are due and payable upon receipt, but in no event later than thirty (30) days after the date of the invoice.
4. Either party may terminate this Agreement immediately for cause by providing notice in writing to the other party and that party has failed to cure if:
 - a) It is established that either party needs and has lost, has suspended or has not secured a license, governmental approval or exemption in accordance with applicable laws or regulations in order to enter into or perform this Agreement; or
 - b) Either party materially breaches this Agreement in any manner where such material breach is not cured within thirty (30) days after written notice of the breach is given to the breaching party; or
 - c) Either party shall apply for or consent to the appointment of a receiver, trustee or liquidator of Self-Insured or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of creditor, adjudicating Self-Insured bankrupt or insolvent or approving a petition seeking reorganization of the Self-Insured and such order, judgment or decree shall continue unstayed and in effect for period of sixty (60) consecutive days, then in case of any such event, the term of this Agreement shall expire, at Company's option, on ten (10) days written notice to Self-Insured.
5. The handling of any claim pending on the date of termination of this Agreement shall be negotiated by both parties unless the parties agree to enter into a renewal or new contract for the same services. In such case, all pending claims shall be handled consistent with the fees set forth in the new Agreement.

6. Upon termination of this Agreement, the Self-Insured shall be entitled, if it so requests, to possession of the electronic files the Company has maintained for claims, medical incidents, and occurrences (but not including any computer software or other proprietary information of the Company), provided, however, that the Company and its employees, agents, or attorneys shall continue to be entitled to inspect such files and make copies or extracts there from subject to approval by Self-Insured;
7. Upon termination of Company's duties hereunder, it shall be the responsibility of the Self-Insured to arrange and pay all costs for the transfer to a successor of custody of any of the Self-Insured's records in the Company's possession including original claims records. The Company may, at its option, transfer such records in such form, as it may desire, including computer tapes or disks, and it is the responsibility of the Self-Insured to convert such information into a form required by successor. In addition, the Company shall deliver to the Self-Insured all electronic data and hard copy data, if any, for claims within thirty (30) days following the termination of Company's duties hereunder.
8. It is expressly understood that the Company shall not be required to advance its own funds to pay losses or Allocated Expenses hereunder or to perform any services hereunder if the Self-Insured fails to provide adequate funds as herein set forth. Company will not be considered the insurer, guarantor or underwriter of the liability of the Self-Insured for coverage and Self-Insured will have final responsibility and liability for payment of claims in accordance with the provisions of the Program.

G. CONFIDENTIALITY.

The parties agree to keep all oral and written information confidential and, other than required to satisfy obligations under this Agreement, to refrain from releasing such information to any third party without the express written authorization of the other party, except to the extent such release may be required by law, regulation or court order and in which case prior notice of such release shall be given to the other party.

H. RIGHT TO AUDIT.

The Self-Insured shall have the right to review any open or closed claim files, billings, invoices, payment history related to a claim made under the Program and the services provided for a particular claim. Any such reviews shall be during normal business hours and upon reasonable advance notice to the Company.

I. RELATIONSHIP OF THE PARTIES.

In the performance of the work, duties and obligations of the parties to this Agreement, Company shall at all times be acting and performing as an independent contractor with respect to Self-Insured. No relationship of employer and employee, partner, joint venturer, agent, fiduciary, trustee, or similar relationship between Company and Self-Insured is created by this Agreement

or by performance of any activities contemplated hereunder. The Self Insured acknowledges and agrees that none of the Company, its affiliates, any of its subcontractors or vendor service providers, or any of their respective officers, directors, employees, agents, or representatives are employers or employees of the Self-Insured, partners, joint venturers, agents, fiduciaries or trustees or hold similar relationships with respect to the Self-Insured. Neither party hereto will make any claims or demands against the other party for any liability or loss of any kind or character in connection with any such relationships, including, without limitation, claims for employee benefits. In addition, neither party shall have any power or authority to act for or on behalf of, or to bind the other except as herein expressly granted, and no other or the grant nor denial of power or authority specifically mentioned herein shall imply greater power or authority.

J. DISCLOSURE OF BUSINESS ARRANGEMENTS

Self Insured understands and acknowledges that the Company may have business agreements, including cost sharing arrangements, with the vendor service providers that perform services related to this Agreement or in connection with the services provided under this Agreement including the Claims Administration Services provided by the Company and the services related to allocated and unallocated expenses. As part of these business agreements, there may be financial considerations paid by the vendor service provider to the Company for the resources and services that the Company may provide, which could include marketing, personnel, information technology, system access, and various administrative services. The amounts, which may be material, that the Company may receive from a vendor provider vary from provider to provider and may depend upon the types and quantity of resources and services the Company provides to the vendor provider. Self Insured understands and acknowledges that it is under no obligation to utilize any vendor provider that is recommended by the Company to perform services related this Agreement and if Self Insured elects not to utilize the services of a recommended vendor provider, then Self Insured can select a vendor service provider it chooses to the perform such services. Self Insured acknowledges that if it selects a vendor service provider different than one that is recommended by Company then there may be an adjustment to the Claims Administration Services fee. Self Insured also acknowledges that it has control over the types of and amounts of services a vendor service provider performs under or in connection with this Agreement, whether recommended by the Company or selected by Self-Insured.

Self Insured understands and acknowledges that the Company also has an ownership interest in Keyscripts LLC, managed care vendor that provides pharmacy benefit, physical therapy network and durable medical equipment network services, that the Company may recommend using to control costs for the Program. As with any vendor service provider, the Self-Insured is able to choose a different service provider for these services.

K. MISCELLANEOUS PROVISIONS.

1. *Waiver.* Failure of either party to enforce at any time any provision of this Agreement or to exercise any of the rights granted in this Agreement shall not affect or impair the validity of any part of this Agreement or the right to require full performance at any time thereafter.

Further, the waiver by either party of a breach of any such provision shall not be held to be a waiver of any subsequent breach thereof.

2. *Severability.* If, at any time, any part of this Agreement is found to be unenforceable, illegal, or contrary to public policy, then the remainder of the Agreement remains in full force and effect except for the unenforceable portion.
3. *Notices.* Any notices required by this Agreement shall be in writing and may be delivered personally or by registered mail, postage prepaid, and addressed to the respective parties at the last known address given by either party to the other.
4. *Applicable Law.* This Agreement shall be construed, enforced, and administered in accordance with the laws of the Commonwealth of Pennsylvania.
5. *Headings and Subheadings.* The headings and subheadings in this Agreement are inserted for the convenience of reference only and are to be ignored in any construction of the provisions thereof.
6. *Gender and Number.* Wherever applicable, the feminine or masculine pronoun as used herein shall also include the masculine and feminine, as the case may be, and the singular or the plural, and vice versa.
7. *Reference to Statutes and Regulations.* Reference in the Agreement to laws, statutes, and regulations shall include all applicable local ordinances, state or federal statutes and all applicable regulations, rulings, procedures, releases, and other procedures, releases and other position statements issued by any governmental agency.
8. *Entire Agreement.* This Agreement represents the entire and exclusive statement of the Agreement of the parties and no modification or amendment of this Agreement shall be valid unless made in writing and signed by both parties. Such modification or amendment shall be attached to and will become a part of this Agreement.
9. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals on the date(s) indicated.

ATTEST:

INSERVCO INSURANCE SERVICES, INC.

By: _____

Name:

Title:

ATTEST:

[SELF-INSURED]

By: _____

Name:

Title:

Services Agreement

Exhibit B

[Proposal]

APPENDIX 2

State Contractor Political Contributions Compliance Public Law 2005, Chapter 51 and Executive Order 117

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Executive Order 134 (McGreevey) was signed on September 22, 2004 and became effective October 15, 2004. EO134 was applicable to all State agencies, the principal departments of the executive branch, any division, board, bureau, office, commission within or created by a principal executive branch department, and any independent State authority, board, commission, instrumentality or agency. EO134 was superseded by P.L. 2005, c. 51, signed into law on March 22, 2005 ("Chapter 51"). In September 2008, Executive Order 117 (Corzine) was signed and became effective November 15, 2008. EO117, which applies only prospectively, extends Chapter 51's political contribution restrictions by expanding the definition of "business entity" to include, for example, more corporate shareholders and sole proprietors. EO117 and Chapter 51 contain restrictions and reporting requirements that will necessitate a thorough review of their provisions by bidders.

Pursuant to the requirements of Chapter 51 and EO117, the terms and conditions set forth in this Appendix are material terms of any contract entered into by the Authority.

DEFINITIONS

For the purpose of this Appendix, the following shall be defined as follows:

a) **"Contribution"** – means a contribution reportable by the recipient under the New Jersey Campaign Contributions and Expenditures Reporting Act, P.L. 1973, c. 83, *N.J.S.A. 19:44A-1 et seq.*, and implementing regulations set forth at *N.J.A.C. 19:25-7* and *N.J.A.C. 19:25-10.1 et seq.*, made on or after October 15, 2004. As of January 1, 2005, contributions in excess of \$300 are reportable.

b) **"Business Entity"** – means any natural or legal person; business corporation (and any officer, person, or business entity that owns or controls 10% or more of the corporation's stock); professional services corporation (and any of its officers or shareholders); limited liability company (and any members); general partnership (and any partners); limited partnership (and any partners); in the case of a sole proprietorship: the proprietor; a business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction, including its principals, officers, or partners. The definition of a business entity also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse, civil union partner or child, residing in the same household, except for

contributions by spouses, civil union partners, or resident children to a candidate for whom the contributor is eligible to vote, or to a political party committee within whose jurisdiction the contributor resides.

PROHIBITION ON THE AGREEMENTS/BREACH OF EXISTING THE AGREEMENT

As set forth in Chapter 51 and EO117, the Authority shall not enter into a the Agreement to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal political party committee, or legislative leadership committee during specified time periods.

Further, it shall be a breach of the terms of any contract with the Authority for any Business Entity who has been awarded the contract, during the term of the contract or any extension thereof, to:

- (i) make or solicit a contribution in violation of Chapter 51 or EO117;
- (ii) knowingly conceal or misrepresent a contribution given or received;
- (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- (iv) make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor or Lieutenant Governor, or to any State, county or municipal party committee, or legislative leadership committee;
- (v) engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the Business Entity itself, would subject that entity to the restrictions of Chapter 51 or EO117;
- (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees;
- (vii) engage in any exchange of contributions to circumvent the intent of Chapter 51 or EO117; or
- (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of Chapter 51 or EO117.

CERTIFICATION AND DISCLOSURE REQUIREMENTS

Prior to the award of any contract or agreement, the Authority shall notify any Business Entity to which it intends to award a contract of the need to submit to the Authority a completed Certification and Disclosure of Political Contributions form, as issued by the State Treasurer. **The intended awardee will receive the applicable form from the Authority's Procurement and Materials Management Department to be completed and returned to the Authority for submission to the State Treasurer.**

In completing this form, the Business Entity must certify that no contributions prohibited by Chapter 51 or EO117 have been made by the Business Entity and must report all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C. § 527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the meaning of *N.J.S.A. 19:44A-3(n)* and *N.J.A.C. 19:25-1.7*. Failure to submit the required forms will preclude award of the contract at issue, as well as future contract opportunities.

Upon approval by the State Treasurer, the Authority will prepare the Services Agreement for execution. However, if the State Treasurer determines that any contribution or action by a Business Entity poses a conflict of interest in the awarding of the contract or agreement at issue, the State Treasurer shall disqualify the Business Entity from award of such contract.

Once approved by the State Treasurer, a Business Entity's Political Contributions Certification is valid for a two (2) year period from the date of approval. If, prior to the award of a contract, the State Treasurer confirms to the Authority that the intended awardee has an approved certification that will remain valid for the term of the contract, the Authority may waive the requirement that the awardee complete an additional Certification and Disclosure of Political Contributions form.

Any Business Entity entering into a contract with the Authority is required, on a continuing basis, to report to the Authority any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. Such reports shall be subject to review by the Authority and the State Treasurer. If the State Treasurer determines that any such contribution poses a conflict of interest, such contribution shall be deemed a material breach of the contract or agreement at issue.