



Delaware River  
Joint Toll Bridge  
Commission

**DELAWARE RIVER JOINT  
TOLL BRIDGE COMMISSION**

**REQUEST FOR PROPOSALS**

**FINANCIAL AUDIT SERVICES**

**DATED: August 1<sup>st</sup>, 2024**  
**PROPOSALS DUE: September 5<sup>th</sup>, 2024**

**REQUEST FOR PROPOSAL**  
**TO PROVIDE FINANCIAL AUDIT SERVICES**

The Delaware River Joint Toll Bridge Commission (the “Commission”) is seeking proposals from qualified firms of certified public accountants to provide independent financial audit services to the Commission for the year ending December 31, 2024, December 31, 2025, and December 31, 2026.

**THE COMMISSION**

The Commission is a body corporate and politic that was created in 1934 as a bi-state agency by compact between the Commonwealth of Pennsylvania and the State of New Jersey, with the consent of the United States Congress. The Commission’s membership consists of ten appointed Commissioners, five from each state.

The Commission owns and operates a total of twenty bridges across the Delaware River joining New Jersey and Pennsylvania. Besides owning bridges, the Commission also owns large operating facilities and land at some of the locations. The imposition of tolls on eight of the bridges generates the revenue necessary to support the operation and maintenance of, and capital improvements to, all the Commission’s bridges and related structures and facilities. Additional information including previously prepared and filed audited financial statements are available on the Commission’s website at [www.drjtbc.org](http://www.drjtbc.org).

**Audit Engagement**

The Commission is seeking the services of a qualified Certified Public Accounting Firm capable of performing a normal annual audit and rendering an opinion on its financial statements and condition. This engagement request is the result of a normal rotation of CPA firms and is in no way the result of a disagreement on scope, performance, or technical issues with the Commission’s previous accounting firm. All proposers are free to contact and make inquiries of the Commission’s previous Auditors to the extent allowable under confidentiality standards.

The term of the audit engagement shall be 3-year, for the audit year ending December 31, 2024, December 31, 2025, and December 31, 2026. The Commission will also options to renew the agreement for two (2) additional one (1) year, at the discretion of the Commission. The Commission may exercise these options at any time prior to the commencement of the applicable option period. The Commission adopted a resolution in 2009 allowing firms to provide financial audit services for a maximum of up to five consecutive years beginning with the fiscal year 2010 audit.

**Licensure/Independence Standards**

Only NJ or PA licensed Certified Public Accounting Firms with sufficient governmental accounting and auditing experience will be considered for this RFP. The proposer(s) must also meet the independence standards as set forth in Standards for Audit of Governmental Organizations, Programs, Activities and Functions and the proposer(s) must have no record of substandard work.

**Audit Standards**

The financial statements are prepared to conform fully to Generally Accepted Accounting Principles (GAAP) and to be in full compliance with the pronouncements of the Governmental Accounting Standards Board (GASB) and/or the Financial Accounting Standards Board (FASB). The Auditor's opinion will be directed toward the fairness of presentation of financial statements in accordance with GAAP. The Auditor will also be required to comply with all applicable federal and state laws.

### **SCOPE OF SERVICES**

The Commission's operating budget for the calendar year 2024 is \$96,169,515. The calendar year 2024 debt service is expected to be approximately \$49.6 million. The revenue projection for calendar year 2024 is approximately \$203,813,624. Revenue is primarily derived by toll traffic activity. For the fiscal year ending December 31<sup>st</sup>, 2023, the Commission reported 91.3% of its toll revenue through Electronic Toll Collection ("ETC") and Toll-by-Plate Activities. The Commission plans to complete All Electronic Tolling ("AET") conversion at all toll bridges by January 2025. As of July 2<sup>nd</sup>, 2024, the Commission has four bond issues outstanding totaling \$614,380,000. Additionally, the Commission maintains a Trust for the payment of Other Post-Employment Benefits. The trust is partially funded with approximately \$97.3 million as of June 30, 2024. Previous audit statements are available on the Commission's website; DRJTBC.org.

The services to be provided under this contract are professional services customarily provided by an Independent Auditor to a public authority of the size and scope commensurate to that of the Commission and shall include, but not be limited to, the following:

1. Preparation and submission of an Annual Audit of Commission Financial Statements in conformity with GAAP, the standards applicable to financial audits contained in the most recent version of the Government Auditing Standards, issued by the Comptroller General of the United States and all applicable federal and state laws.

The following reports are required (subject to changes by regulatory agencies, GASB, FASB, applicable federal and state laws, etc.):

- a) Preparation of an Independent Auditor's Report as an expression of an audit opinion in conjunction with full-scope audit of an Annual financial statements, stating the scope of examination and that the audit was conducted in accordance with generally accepted government auditing standards as well as all applicable federal and state laws and provisions.
- b) Preparation of Financial Statements and footnotes:
  - Statement of Net Position;
  - Statement of Revenues, Expenses and Changes in Net Position;
  - Statement of Cash Flows (Direct Method);
  - Statement of Fiduciary Net Position;
  - Statement of Change in Fiduciary Net Position; and
  - Notes to Financial Statement – additional disclosure requirements.

- c) In conjunction with Commission management, preparation of Management’s Discussion and Analysis (“MD&A”) as an easily readable analytical review of the Commission’s financial activity
- d) Preparation of Required Supplemental Information (RSI) including, but not limited to:
- Debt Service Coverage Ratio;
  - Budget vs. Actual analysis;
  - Schedules of Cash and Equivalent Balances;
  - Schedules of Investments;
  - Capital Assets Roll forward;
  - Debt Service Payment Schedule;
  - Summary of Long-Term Liabilities;
  - Schedules of Operating Expenses;
  - Analysis of EZPass, Pay-by-Plate and Violation Receivable;
  - Analysis of Improvements in Progress;
  - Analysis of Capital Assets—Completed;
  - Schedule of Revenue Bonds;
  - Schedules of Toll Traffic and Revenues;
  - Schedules related to OPEB Trust Fund; and
  - Schedules related to PA/NJ Pension Liabilities.
- e) The Auditor shall issue Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and other matters based on an audit of Financial Statements performed in accordance with Government Auditing Standards. The Auditor shall communicate all reportable conditions found during the audit in the report on internal controls to the Audit Committee. Further, the Auditor shall identify any material weaknesses in his audit. The Auditor shall report other weaknesses in internal controls not meeting the definition of a reportable condition in a separate letter to Commission management.
- f) Accompanying the financial statements, the Auditor will submit to management a Letter of Comments and Recommendations on internal control over financial reporting based on the Auditor’s assessment of the internal control structure and risk: (i) indicating deficiencies or opportunities for accounting and reporting improvements; (ii) identifying any reportable condition or material weakness; and (iii) recommending the areas where operations can be improved, or control can be enhanced.
- g) Auditor’s report on Commission internal controls will include, without limitation, any significant deficiencies and material weaknesses in the system of which Auditor becomes aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of Government Auditing Standards. Auditor’s report on compliance will address, among other items, material errors, fraud, abuse, violations of compliance requirements and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts, consistent with requirements of the standards identified above.

2. As required by current bond indentures, Auditor will audit the general purpose financial statements, including but not limited to, the balance sheet, the statement of investment in facilities as of December 31, and related statements of operations and funds equities for the year that ended. The Auditor

will communicate and consult with the Bond Trustee for the purpose of assuring compliance with the provisions of the current bond indenture, the proper flow of funds and federal and state laws.

The audit of the books and records will be made in accordance with generally accepted auditing standards and will be for the purpose of expressing an opinion as to the fairness of the financial statements as prepared in accordance with GAAP. The audit will include the recorded transactions in conformity with generally accepted auditing standards, which may not in every case discover defalcations if they exist. However, the Auditor will inform the Commission promptly of any findings that appear unusual or abnormal. If the Audit opinion is other than unqualified, the Auditor will fully discuss the reasons with the Commission in advance of issuing the opinion.

3. The annual audits of the bridge accounts shall meet the basic requirements of current bond indentures. In addition, Auditor shall assist in preparing official statements or other documents or disclosure related to issuance of debt instruments and annual continuing disclosure for the Commission's outstanding bonds.
4. Set account groupings by class and categories as set forth in GASB Statement No. 34 and comply with all other applicable GASB statements, requirements, and recommendations.
5. A pre-audit conference is required with the Commission, regarding the timing of the audit, the personnel, the supervision, audit plan, the documents required and respective responsibilities.

A post-audit conference with the Commission will be conducted by the Auditor in charge. At the exit conference, findings and recommendations regarding compliance and internal control shall be discussed. The Commission's management shall have the opportunity to respond, orally or in writing, to the findings, and the Auditor will revise the audit documents in accordance with the Commission's comments, at no additional cost to the Commission

6. The Auditor will provide copies of all reports to the Commission, in sufficient number for the required distribution and a minimum of thirty printed and bound copies of the Comprehensive Annual Financial Report. Additionally, a PDF copy will be provided for the Commission to post on its website.
7. As a part of the overall audit contract, the Commission expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, which is considered within the areas of Auditor's expertise and responsibilities.

This assistance would include, but not limited to:

- Consultation with Commission staff on an individual or group basis regarding accounting, reporting, technical and internal control issues.
- Consultation with the Commission staff regarding matters relating to the Commission's accounting and toll auditing departments' procedures and functions.
- Consultation with the Commission staff, the Consulting Engineering and other related consultants as needed.

8. The Auditor will provide consulting service to Commission staff regarding future applicable GASB statements, requirements, and recommendations, including evaluation of applicability of GASB statements, implementation, creation of all supporting schedules, preparations of related journal entries, updating footnotes to the Financial Statements, or restating of prior year statements as needed.

The Commission has implemented GASB 96, Subscription-Based Information Technology Arrangements (“SBITAs”) as of December 31<sup>st</sup>, 2023. The Auditor should evaluate new software agreements and changes in existing software agreements annually, provide amortization schedules, prepare journal entries to record the changes to the subscription liabilities, expenses, and assets, update footnotes to the Financial Statements.

9. The Auditor will review PA/NJ GASB 68 reports, prepare journal entries to record net pension liabilities, deferred outflow, deferred inflow, etc., and update footnotes to the Financial Statements.

10. The Auditor will review GASB 75 report for Other Postemployment Benefit Plan, prepare journal entries to record OPEB liabilities, deferred outflow, deferred inflow, etc., and update footnotes to the Financial Statements.

11. Visits to the various facilities of the Commission for the purpose of obtaining insight to the operations and information regarding changes in operation and physical plant as needed.

12. Attendance at Commission and Audit Committee meetings to present Annual Audit or whenever required.

13. The audit fieldwork should be completed by March 31<sup>st</sup> of each year. The draft statements must be ready for presentation to the Commission by May 15<sup>th</sup> of each calendar year following the audit year.

14. Upon completion of the audit, the Auditor will be required to furnish the Commission with a copy of adjusting trial balance with account grouping and all adjusting and reclassifying entries using Commission’s General Ledger Account Number. The Auditor should provide all supporting schedules to Commission staff.

15. The audit working papers and reports must be retained, at the Auditor’s expense for the longer of the following time periods: (i) five (5) years after the completion of the audit engagement; (ii) the time required by applicable federal and state laws; (iii) the time recommended by the AICPA; (iv) the time requested by the Commission in writing; or (v) in the event of litigation or claims which relate to such audit working papers and reports, then until such litigation or claims are completely disposed of and all time periods for appeal are expired. The working papers shall be made available to the Commission should the need arise during that time.

16. The audit firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

### **SUBMISSION REQUIREMENTS**

**By submitting a proposal, the Proposer asserts and confirms that it has fully reviewed and understands the entirety of this RFP, including any exhibits attached hereto, and meets all applicable industry licensing requirements to enable the firm and its employees to complete the entirety of the engagement without restriction or limitation.**

Any Proposal made in response to this RFP shall meet all of the following requirements. Failure to do so may result in the proposal being deemed non-responsive and rejected without further consideration.

To receive consideration, each proposal must be delivered in two separate and distinguishable parts, as described below:

**Part 1 – Technical Proposal:** You must submit six physical copies of the Technical Proposal along with one electronic copy on flash drive.

**Part 2 – Fee Proposal:** You must submit six physical copies of the Fee Proposal along with one electronic copy on flash drive.

PLEASE NOTE: the physical copies of the Fee Proposal must be contained within a separate sealed envelope. The Technical Proposal and the Fee Proposal may be delivered within in the same container (i.e., overnight delivery box or packet) BUT the Fee Proposal must be in a separate sealed envelope and clearly marked as such.

## **PROPOSAL CONTENT**

***Important Consideration:*** *In preparing your Proposal, please limit the length of responses and discussions to the minimum necessary to convey the idea or information requested. Excessive responses and extraneous materials are not welcome and will detract from the overall quality of the proposal.*

### **Technical Proposal (separate envelope)**

1. Letter of Transmittal (not to exceed one (1) single-sided, letter-sized (8.5” x 11”) page.

A signed letter of transmittal briefly stating or including the following:

- An acknowledgement that the firm, entity or person submitting the proposal (the “Proposer”) has a full understanding of the work to be done and a statement why the Proposer believes itself to be best qualified to perform under the engagement.
- An acknowledgement that the aggregate proposal (technical and fee) is a firm and irrevocable offer and shall remain valid for a period of not less than 120 days from the due date of the RFP.
- A statement that the person signing the letter is authorized to bind the Proposer, and that by so signing, Proposer attests that all information submitted with the proposal is true and correct.
- A statement that the firm and all individuals to be assigned to the engagement have and will maintain at all times the necessary regulatory compliance and licensing to enable completion of the full scope of services outlined herein.
- An acknowledgement that any and all relationships, financial or otherwise, that Proposer, or any parent/subsidiary/affiliate thereof, has with the Commission or any member of the Commission, if any, have been so disclosed within the body of the Technical Proposal.

- A statement that the firm agrees to abide by the standard Consultant/Retainer Insurance Requirements as set forth in the RFP or has specifically identified within the body of the Technical Proposal any such requirements that the firm objects to, or is requesting modification or alternatives.

2. Body of Technical Proposal (not to exceed eight (8) single-sided, letter-sized pages) to include:

- a) Understanding of the scope of services and the Commission's needs. Please highlight experience auditing agencies or companies with Electronic Toll Collection, Toll-by-Plate and Violation Processing System activities.
- b) Firm Qualifications and Experience
  - Provide the name, title and full contact information of the primary person who may be contacted for any reason in connection with this RFP, including requests for additional information or clarifications.
  - Provide a basic description of the firm, including: the length of time the firm has been in business and, if different, the length of time it has been providing the services requested in the RFP; location of headquarters and, if different, the location from which the services are to be performed; overall size of the firm (employees); ownership structure and whether you anticipate any significant changes during the next twelve months.
  - Provide a statement of the firm's qualification for performing the subject audit services.
  - The Commission promotes and encourages Minority, Women, Small, Disadvantaged, Disabled, and Veteran owned businesses (referred to as "Identified Business Enterprises" or "IBE(s)") to participate in business opportunities with the Commission. Please indicate whether your firm is qualified as an IBE in the State of New Jersey and/or Commonwealth of Pennsylvania.
  - Provide the names, titles, and resumes of all persons you are proposing to be involved in the management of this engagement and the role each will play in managing the Commission's account. Separately identify the person who will be assigned to coordinate the firm's services to the Commission. Describe your backup plans to support the Commission if a member of the client service team is out of the office, unavailable or leaves the firm.
  - Describe firm past experience and performance on comparable government engagements, especially transportation agencies, and highlight the participation in such work by the key personnel proposed for assignment to this project.

List five most significant governmental clients served in the last three years that are similar to the engagement described in the scope of service, with detail description of type(s) of services performed, years of engagement, clients' key person contact



information (name/address/telephone number/email address) who is most knowledgeable about the work performed, clients' operating budget, size of clients' organization, number of clients' employee.

- Credentials of the Audit Team – Provide a one (1) page, single-sided resume for all individuals who will oversee and perform the work (resumes do not count towards the eight (8) page limit). Resumes should describe professional qualifications, and relevant experience including dates of assignments. State the names of the partner assigned to this engagement and, also, the partner assigned the responsibility for the quality of the financial reports and working papers. Identify the person who will serve as Audit Manager. All members of the audit team must be employees of the accounting firm unless otherwise authorized by the Commission.

Include a statement that key personnel will be available to the extent proposed for the duration of the project acknowledging that no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the Commission.

- One page, single-sided organizational chart showing key personnel names, position, and reporting relationships.

#### c) Approach to the Assignment

The Auditor should fully and in detail describe, by task, the methodology that it intends to utilize to accomplish the scope of services described in this RFP. In this approach, the Auditor should demonstrate the degree to which it will show a commitment to work cooperatively with Commission staff.

- Proposed segmentation of the engagement by outlining sequentially the activities that would be undertaken in completing the tasks and specifying the level of staff that would perform them.
- Sample size and the extent to which statistical sampling is to be used in the engagement.
- Type and extent of analytical procedures to be used in the engagement.
- Approach to be taken to gain and document an understanding of the internal control structure.
- Approach to be taken in determining laws and regulations that will be subject to audit test work.
- Approach to be taken in drawing audit samples for purposes of tests of compliance.
- Identify methods that Proposer will use to ensure quality control as well as budget and schedule control for the project.
- Identify any special issues or problems that are likely to be encountered with the services identified herein and how the Proposer would address them.
- One page, single-sided proposed schedule for completion of assignment, where applicable. Ability to adhere to Commission project schedule, where given.

#### d) Additional Information and Exception (does not count towards the eight (8) page limit)

- Set forth any additional information that may assist the Commission in evaluating your firm's qualifications, including peer reviews within the last three years and any disciplinary action received within the past three years. Also describe any regulatory

action taken by any oversight body against the proposing audit organization or local office.

- Clearly state any exceptions with the scope of services or the Commission's insurance requirements as provided within this RFP. If no objections are set forth within the proposal, then such Proposer, if selected, agrees to be bound by the terms of the Exhibits as presented, if applicable.
- Describe any existing or potential conflicts of interest that might arise if your firm is selected. Describe your firm's written code of conduct or set of standards for professional behavior and how they are monitored and enforced.
- Are there any pending or threatened investigations, litigation or pending litigation by any federal or state regulatory agency or court regarding the conduct or business conduct of your firm or its management? Have there been any such investigations or litigation threats thereof within the past three years? If the answer to either or both questions is yes, provide a detailed explanation.

e) Non-Discrimination and Diversity (does not count towards the eight (8) page limit)

- The Commission prohibits discrimination in employment based on race, color, religious creed, national origin, ancestry, gender, sexual orientation, age, Vietnam era veteran status, or disability. The Commission is strongly committed to developing and maintaining a diverse workforce, and highly values the perspectives and varied experiences that are found only in a diverse workforce. The Commission believes that promoting diversity is important to the success of its overall mission. Accordingly, the Commission requires its consultants/contractors to comply with all applicable nondiscrimination laws and encourages them to promote diversity within their workplace.  
Please describe your firm's policies and practices relating to non-discrimination and diversity. This may include a statistical table or analysis.

**Anything in excess of the page limitations specified above, will not be read or considered. If the Proposal submitted is not in accordance with the specific provisions defined above, it may be considered incomplete and rejected.**

#### **Fee Proposal (separate envelope)**

1. Letter of Transmittal (not to exceed one page) stipulating a Lump Sum Fee to perform the scope of services as described in this RFP. Also provide fee escalation for four subsequent fiscal years.
2. The proposed Lump Sum Fee shall include payments for all direct and indirect professional, technical, and clerical salaries, overhead and profit, and all out-of-pocket expenses including, but not limited to, mileage, printing, photocopying, materials, etc.

#### **Inquiries**

Inquiries concerning this RFP are to be delivered to Qiyao (Tracy) Zhao, Chief Financial Officer via email to: qzhao@drjtbc.org. Verbal questions or phone calls regarding this RFP will not be accepted.

To be given consideration, **all inquiries must be received by 12:00 PM EST on August 15<sup>th</sup>, 2024**. It is anticipated that all inquiries submitted by the deadline will be posted anonymously along with the Commission’s responses on the Commission’s web site at [www.drjtbc.org](http://www.drjtbc.org) under the “Doing Business” header on or prior to **August 23<sup>rd</sup>, 2024**.

In the event the Commission determines that additional clarification or information to this RFP is necessary, the Commission reserves the right to issue an addendum.

### **Submissions**

Proposals must be received **no later than 3:00 PM EST on September 5<sup>th</sup>, 2024** at the following address:

RFP Response: Financial Audit Service  
Delaware River Joint Toll Bridge Commission  
1199 Woodside Road  
Yardley, PA 19067  
Attn: Chief Financial Officer

The RFP responses must be assembled and delivered as described herein (Fee Proposal in a separate sealed envelope, etc.), and labeled as “RFP Response – Financial Audit Services.”

### **Oral Presentations**

While it is not currently anticipated, after completion of the review of proposals, the Commission may, in its sole discretion, request any responding firm or firms to make an oral presentation to the senior management or staff of the Commission. Such presentations will provide firms with an opportunity to answer any questions the Commission may have on a firm’s proposal. The Commission will notify you if an oral presentation is necessary. Failure to be prepared to make an oral presentation may prevent further consideration.

### **SELECTION PROCEDURE**

1. It is the intention of the Commission to evaluate your proposal in conjunction with those received from other firms. An agreement will be awarded to the Proposer who best satisfies the overall requirements of the RFP, as determined by the Commission in its sole discretion. The Commission is not required to award the agreement to the Proposer quoting the lowest fees. This will lead to a selection and an agreement to be executed with the prospective Auditor for the work described in this RFP.
2. Technical Proposals and Fee Proposals must be delivered to the Commission in separate sealed envelopes prior to the time and date specified above in this RFP.
3. The Commission will make a selection based upon numerous criteria, including, but not limited to, the Commission’s perception of the need for auditing services, the demonstrated competence, expertise, experience, and qualifications of the Proposer(s). The Technical Proposals will be evaluated on the basis of, among other things, the following criteria:

- Demonstrated understanding of the Commission's needs and proposed comprehensive, appropriate, and adequate approaches to meet those needs;
- Demonstrated ability and qualifications to conduct governmental audits and adhere to the Commission's mandatory deadlines;
- Qualification and technical experience of the firm;
- Client references for the quality of government audit and consulting experience
- Familiarity with federal and state laws, rules, and regulations relevant to governmental audits; and
- Credentials of audit team, the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

4. Following the evaluation and ranking of the Technical Proposals, the Proposers' Fee Proposals will be opened and evaluated. The evaluation will be performed by comparing the Proposer's Fee Proposal with the Commission's estimate to determine a fair and reasonable price for the service. The Commission will select the proposal that is most advantageous to the Commission, as determined by the Commission in its sole and absolute discretion. The Commission may take the oral presentations into account in its ranking of the Proposers, as the Commission deems appropriate in its discretion.

5. Final terms of a contract for services will be negotiated and executed with the selected firm prior to the start of the engagement. If a negotiated agreement cannot be reached with the selected firm within a reasonable time, negotiations will be terminated, and another firm will be selected.

6. In making its selection, the Commission is not required to accept the lowest price and may, at its sole discretion, reject proposals, which are not responsive to the requirements stated herein, or may elect to waive some or all irregularities in any proposal or proposals. The waiver or non-waiver of any specific irregularity will not imply or compel similar treatment of any other irregularity.

7. Following completion of the procurement process, the Commission does not intend to provide a de-briefing of any kind to firms not selected and is under no obligation to do so.

8. On all projects of this nature, the Commission has certain standard requirements that will be incorporated into any agreement that may be executed as a result of our evaluation of your proposal. Exhibit A, entitled REQUIRED INSURANCE, describes all insurance coverage required of the Auditor.

9. The Commission shall not be liable for any costs incurred by any Proposer in the preparation of its PROPOSAL for the services requested in this RFP.

**CONSULTANT/RETAINER  
DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION  
INSURANCE REQUIREMENTS  
FINANCIAL AUDIT SERVICES**

**NOTE TO CONSULTANT: CONSULTANTS ARE REQUIRED TO SUBMIT A SIGNED AND NOTARIZED LETTER FROM THEIR INSURANCE BROKER/AGENT STATING COMPLIANCE WITH THESE INSURANCE REQUIREMENTS AS NOTED UNDER THE "CERTIFICATE OF INSURANCE" HEADING OF THESE INSURANCE REQUIREMENTS.**

**Insurance:**

Prior to commencement of any work under the Contract and until final payment is made for the work under the Contract (unless otherwise stated herein), Consultant shall, at its sole expense, maintain the following insurance on its own behalf, at the required limits outlined below, with an insurance company or companies having an A.M. Best Rating of "A-: Class VII or better, and furnish to the Commission Certificates of Insurance evidencing same.

1. Workers' Compensation and Employers Liability: in the state in which the work is to be performed and elsewhere as may be required and shall include:
  - a) Workers' Compensation Coverage: In such amounts necessary to satisfy applicable statutory requirements
  - b) Employers Liability Limits not less than:

Bodily Injury by Accident:	\$100,000 each accident
Bodily Injury by Disease:	\$100,000 each employee
Bodily Injury by Disease:	\$500,000 policy limit
  - c) U.S. Longshoremen's and Harbor Workers' and Maritime Coverages, where applicable.
  - d) No proprietor, partner, executive officer, or member may be excluded from coverage.
  
2. Commercial General Liability: (including Premises - Operations, Independent Contractors, Products/Completed Operations, Contractual Liability (including Liability for Employee Injury assumed under a Contract), Personal Injury, Occurrence Form with the following limits:

(1) General Aggregate	\$2,000,000
(2) Products/Completed Operations	
Aggregate:	\$2,000,000
(3) Each Occurrence:	\$1,000,000
(4) Personal and Advertising Injury:	\$1,000,000
(5) Medical Payments	\$5,000
  
3. Commercial Automobile Liability including Physical Damage:

Coverage to include:

  - a) Per Accident Combined Single Limit \$1,000,000,
  - b) All Owned, Hired and Non-Owned Vehicles
  - c) Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract),

- d) Physical Damage Coverage must be included or self-insured as the Commission is not responsible for any property damage to the Consultant's vehicles.

4. Commercial Excess/Umbrella Liability:

- a) Occurrence Limit: \$2,000,000
- b) Aggregate Limit (where applicable): \$2,000,000
- c) Policy to apply excess of the Commercial General Liability, Commercial Automobile Liability and Employers Liability Coverages.
- d) The Commercial Excess/Umbrella Liability Policy shall be at a minimum following form.

5. Professional Liability Coverage:

The following minimum limit of insurance shall be required:

\$5,000,000 Per Occurrence/Per Claim

6. Property of Consultant:

All property, including, but not limited to, tools and equipment that the Consultant has at the job site or is owned by the Consultant is the responsibility of the Consultant. The Commission assumes no responsibility for the protection, maintenance, or repair of any property that the Consultant has at the job site or that is owned by the Consultant including, but not limited to, tools or equipment.

Deductibles and Self Insured Retentions:

All deductibles and self-insured retentions are the sole responsibility of the Consultant. In addition, all self-insured retentions shall not exceed \$50,000 without the prior written approval of the Commission; provided, however, a Consultant's self-insured retention amount on its Professional Liability Insurance policy may exceed \$50,000 to the extent that a higher self-insured retention amount is expressly set forth in these insurance requirements.

Additional Insureds - Primary and Non-contributory:

The Commission, the Commonwealth of Pennsylvania and the State of New Jersey are to be included as ADDITIONAL INSUREDS on the General Liability, Automobile Liability and Excess/Umbrella Liability coverages on a primary and non-contributory basis.

The Consultant must confirm that, at a minimum, the Consultant's General Liability policy includes an additional insured endorsement with either ISO Form #CG 20 26 11 85, or both ISO Form #CG 20 10 10 01 and ISO Form #CG 20 37 10 01, or equivalent manuscript endorsement. Later edition dates of the ISO Forms are acceptable.

The Consultant shall continue to maintain the Commission, the Commonwealth of Pennsylvania and the State of New Jersey as Additional Insureds for at least three (3) years following the final payment under the Contract.

Waiver of Rights of Subrogation:

The Consultant's insurance shall include a Waiver of Subrogation in favor of the Commission and all Additional Insureds where applicable on all policies including Workers' Compensation and Employers Liability:

- a. The Consultant waives all rights of recovery against the Commission and all the additional insureds for loss or damage covered by any of the insurance maintained by the Consultant pursuant to this Contract.
- b. The Consultant hereby waives, and shall cause its insurance carriers to waive, all rights of subrogation against the Commission and all the additional insureds for loss or damage covered by any of the insurance maintained by the Consultant pursuant to this Contract.
- c. If any of the policies of insurance required under this Contract require an endorsement to provide for the waiver of subrogation set forth in b, above, then the named insureds of such policies will cause them to be so endorsed.

No Insured vs. Insured or "Cross Suits" Exclusion

The Consultant's policies shall not contain an Insured vs Insured or Cross Suits Exclusion. If such exclusion is on the policy, it must apply only to "Named Insureds".

Certificate of Insurance:

Prior to the commencement of work and/or the Commission making any payment under the Contract, the Consultant shall file Certificates of Insurance with the Commission that shall be subject to the Commission's approval of adequacy of protection and the satisfactory character of the insurer. The Commission has the right to request copies of any and all policies and endorsements. The Certificates of Insurance should be mailed to the Commission within five (5) days of receipt of Notice of Award or receipt of these insurance requirements, as applicable, to the attention of the Chief Administrative Officer, at 1199 Woodside Road, Yardley, Pennsylvania 19067, regardless of when work commences. A project description and job number must be shown on all Certificates of Insurance. The Consultant's obligation to provide the insurance set forth herein shall not be waived by any failure to provide a Certificate of Insurance, the Consultant's acceptance of a Certificate of Insurance showing coverage varying from these requirements or by the Consultant's direction to commence work.

The certificate must evidence, at a minimum:

1. All Deductibles and Self-Insured Retentions.
2. The Additional Insureds on a primary and non-contributory basis. The Additional Insured endorsement(s) must be included with the certificate
3. Waiver of Subrogation applies. Endorsements must be included.
4. No Cross-Suits Exclusions, or apply only to named insureds. The exclusion endorsement must be included, if applicable
5. 30 Days Notice, by Certified Mail - Return Receipt Requested, of Cancellation, Nonrenewal, modification or material change to the policies.

In the event the Consultant enters the worksite or delivers or has delivered materials or equipment to the worksite without having first fully executed the Contract, then these insurance requirements and the indemnification provision contained within the Contract shall be deemed executed at the time of first entry to the worksite as if a duly authorized representative of Contractor executed the same by affixing a signature hereto.

In the event of a failure of the Consultant to furnish and maintain said insurance and to furnish satisfactory evidence thereof, the Commission shall have the right (but not the obligation) to take out and maintain the same for all parties on behalf of the Consultant who agrees to furnish all necessary information thereof and to pay the cost thereof to the Commission immediately upon presentation of an invoice.

*In no event shall the Consultant begin work until Certificates of Insurance showing coverage in the aforementioned amounts required for the Contract is received and approved by the Commission.*

Change in Financial Rating:

Should any insurance company placing coverage for a coverage for the Covered Party fall below an A-: Class VIII rating by A.M. Best, the Commission shall be notified as soon as reasonably possible.

Claims Made Policy Forms:

Should any of the required liability coverages be on a "Claims Made" Basis, coverage must be available for the duration of the Contract and for a minimum of three (3) years following the final payment under the Contract. In the event that such policies are cancelled or not renewed at any time, the Consultant shall provide a substitute insurance policy with an inception date the same as the prior policy's cancellation date and the substitute insurance policy shall carry forward the same retroactive date as the cancelled policy to fill any gaps in coverage which may exist due to the cancellation or non-renewal of the prior "claims-made" policies. With respect to all "claims made" policies which are renewed, the Consultant shall provide coverage retroactive to the date of commencement of work under this Contract.

Review of Insurance Requirements by the Consultant's Insurance Representative:

The Consultant WARRANTS that this Contract has been thoroughly reviewed by the Consultant's insurance agent(s)/broker(s), who have been instructed by the Consultant to procure the insurance coverage required by this Contract.

The amount of insurance provided in the aforementioned insurance coverages, shall not be construed to be a limitation of the liability on the part of the Consultant or any of their sub-consultants.

Any type of insurance or any increase in limits of liability not described above which the Consultant requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

The carrying of insurance described herein shall in no way be interpreted as relieving the Consultant of any responsibility or liability under the Contract.

Consultant's insurance broker/agent shall provide a signed and notarized letter on their letterhead stating that the insurance broker/agent and Consultant will meet all the insurance coverages outlined in these insurance requirements, which are incorporated by reference into the Contract.

Notwithstanding anything herein to the contrary, if any part of the work under this Contract is to be performed by a sub-consultant and/or agent of the Consultant, such Consultant shall be responsible for each sub-consultant and/or agent maintaining insurance or, in the alternative, maintaining insurance on behalf of each sub-consultant and/or agent, as specified in, and in accordance with, the paragraphs below. The Contract that the Commission is entering into is solely with Consultant, and Consultant shall be solely responsible for all acts or failures to act of each of its sub-consultants and/or agents as if the



actions or failures to act are the actions or failures to act of the Consultant. Consultant expressly acknowledges and agrees that the Commission's willingness to enter into the Contract is premised on Consultant taking responsibility for, and indemnifying, defending and holding harmless the Commission from and against, the acts and failures to act of each of their respective sub-consultants and/or agents. Nothing herein shall otherwise limit or alter Consultant's obligation (if any) to seek prior approval of sub-consultants and/or agents from the Commission, as such requirement may be set forth in the Contract.

Settlement of Insurance Claims:

Make every effort to settle all claims in an expeditious and equitable manner. Provide the Commission with the name, address and telephone number of the person authorized to act on behalf of the insurance company for the project at the preconstruction conference. Promptly inform the Commission and the insurance company in writing, of any written or oral notification of an alleged claim.