

**REQUEST FOR PROPOSALS
FINANCIAL AUDIT SERVICES**

[INSERT DATE]

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**REQUEST FOR PROPOSALS
FINANCIAL AUDIT SERVICES**

PUBLIC NOTICE

PROCUREMENT OF FINANCIAL AUDIT SERVICES

[INSERT TRANSIT AGENCY'S NAME] is issuing a Request for Proposal (RFP) to engage the services of a certified public accounting firm to provide annual year-end financial audit services. [INSERT TRANSIT AGENCY'S NAME] requires the need of an independent audit performed by a certified accounting firm.

All proposals and contracts are subject to all applicable Commonwealth and Federal laws and to a financial assistance contract between the Federal Transit Administration (FTA), the Pennsylvania Department of Transportation (PennDOT) and the individual agencies of [INSERT TRANSIT AGENCY'S NAME].

All costs incurred by proposers in the development of their proposals in responding to this RFP are the sole responsibility of the proposers. No such costs will be reimbursed by [INSERT TRANSIT AGENCY'S NAME]. Furthermore, proposers must not include such costs as part of their cost proposals to perform any work described in this RFP.

AGENCY PROFILE

[REDACTED]		
Address		
Service Area		
Service Provided		
Annual Operating Budget (excl. depreciation)		
Revenue Sources	Passenger fares, Program and contract revenue from PennDOT and other Departments of the Commonwealth, Other Sponsoring agencies, Federal, Commonwealth and Local operating and capital grants)	

The services to be provided include, but are not limited to:

- an audit to be performed in accordance with Government Auditing Standards (GAS)
- an audit reports containing financial statements prepared in accordance with generally accepted accounting principles (GAAP) promulgated by the Government Accounting Standards Board (GASB)
- the performance of a Federal Single Audit and Federal Single Audit reports pursuant to the Office of Management and Budget (OMB) Circular A-133
- the performance of a Pennsylvania Department of Transportation (PennDOT) Grant Compliance Audit and provision of PennDOT Grant Compliance audit reports pursuant to PennDOT

Guidelines on Grant Management, Accounting, and Reporting and PennDOT's Financial Reporting Manual

The Scope of Services is more fully described in Section 9 of this RFP.

RFP SECTIONS

1. Contract Term

The length of this engagement for each agency is a period of two (2) years. The financial records subject to audit for each agency are shown below:

	Fiscal Year	
Agency		
[INSERT TRANSIT AGENCY'S NAME]		

2. Qualification Requirements

- Proposer must be a certified public accounting firm licensed to practice in the Commonwealth of Pennsylvania
- Proposer must not have been the subject of an unfavorable review of its peers or any other disciplinary action or have been sanctioned by the Peer Review Board of the American Institute of Certified Public Accountants (AICPA) or any other body that governs the standards of the accounting profession within the last ten (10) years
- Proposer must have experience in conducting financial audits for Commonwealth municipalities or authorities with emphasis on public transportation authorities that receive grant funding from PennDOT and other departments of the Commonwealth
- Proposer must possess and have demonstrated technical expertise with regard to evaluating the grantee's compliance with grant accounting, financial reporting, and management of Commonwealth and Federal funds according to Federal and PennDOT requirements pursuant to FTA Circular 5010.1D Grant Management Guidelines and PennDOT Audit Guidelines on Grant Management, Accounting, and Reporting.

3. RFP Questions and Contact Person

All questions regarding this RFP shall be posed in writing, hard copy or electronic, no later than [INSERT DATE]. Questions shall be sent to the contact person for this RFP:

[INSERT AGENCY EMPLOYEE NAME]
[INSERT AGENCY EMPLOYEE TITLE]
[INSERT TRANSIT AGENCY'S NAME]
[INSERT AGENCY ADDRESS]
[INSERT AGENCY CITY, STATE, ZIP CODE]

Phone: [INSERT PHONE NUMBER]
Email: [INSERT EMAIL ADDRESS]

Responses to all questions received by [INSERT DATE] shall be provided in writing to all potential proposers.

4. Submittal Requirements

All proposals must contain a transmittal letter that includes the signature of a representative of the proposer authorized to negotiate and enter into contracts on its behalf. The signed transmittal letter must clearly indicate that the proposer agrees that all terms of its proposal will remain valid for a period of ninety (90) days after the above cited closing date for submission of proposals. This time period may be extended by mutual agreement in writing. The transmittal letter must also indicate that the proposer agrees to the terms of the contract as presented in the Attachments to this RFP.

Conditional proposals, or those which take exceptions to the specifications of this RFP, will be considered non-responsive and will be rejected.

Each firm submitting a proposal in response to this RFP will be required to submit three (3) original and six (6) copies of the proposal to:

[INSERT AGENCY EMPLOYEE NAME]
[INSERT AGENCY EMPLOYEE TITLE]
[INSERT TRANSIT AGENCY'S NAME]
[INSERT AGENCY ADDRESS]
[INSERT AGENCY CITY, STATE, ZIP CODE]

Proposals must be received at the above location no later than [INSERT TIME], [INSERT DATE]. Proposers are fully responsible for delivery of proposals. Late proposals will not be accepted or considered.

Proposals shall be enclosed in a sealed envelope and clearly labeled **“Proposals for Financial Audit Services.”** Proposed fees must be submitted separately in a sealed envelope clearly labeled **“Cost**

Proposal for Financial Audit Services.” All copies must contain any requested samples or attachments. Proposals must contain and clearly explain the content of each of the components of each section shown below:

- A. **Qualifications and Engagement Team expertise.** Detailed narrative statement describing the experience of the proposer’s project team assigned to the engagement, especially with regard to engagements that are relevant to services that are specified in this RFP. Resumes of key personnel should include a description of such experience. Included in this section of the proposal, proposer must include
- i. firm name, business address, telephone number, and name of contact person;
 - ii. a description of the firm;
 - iii. an indication of whether the firm is local, regional, national, or international;
 - iv. a confirmation that the firm meets the qualification requirements set forth in Section 2;
 - v. a listing of the firm’s principals and non-key personnel anticipated to be assigned to this engagement, along with an experience statement for each of these individuals including the appropriate training and/or certifications;
 - vi. the location of the office(s) from which the services will be provided;
 - vii. the extent of experience with audits of Pennsylvania public transportation agencies and/or municipality authorities;
 - viii. the extent of experience conducting reviews in accordance with Federal Single Audit requirements and PennDOT grant compliance reviews;
 - ix. a listing of any and all subcontractors intended to be used on this project, along with the scope of work expected to be assigned to each subcontractor and a detailed experience statement for the subcontractor in that particular area.
- B. **Experience with previous projects.** A minimum of three (3) examples of relevant client engagements undertaken by the proposer including the client manager’s name, address, and telephone number.
- C. **References.** Letters from at least three (3) previous or current clients that represent engagements included in the qualifications and team experience section, describing satisfaction with the services provided.
- D. **Work Plan Strategy/Approach.** A detailed work plan and calendar that clearly indicates how the final deliverables shown in Section 9 will be completed on a timely basis. The work plan and calendar should include:
- i. the explanation of procedures to be used to conduct the audit;
 - ii. the commencement of the engagement;
 - iii. the performance and completion of field work;
 - iv. a list of supporting documents and schedules required of each transit agency along with due dates;
 - v. a preliminary draft audit report, draft Federal Single Audit, draft State compliance audit, and all supporting notes that will be delivered to each transit agency;

- vi. the review period provided to the transit agency in order to examine all draft work products;
 - vii. meeting(s) between proposer and transit agencies to review edits to draft work products;
 - viii. the completion of all final work products;
 - ix. meetings with transit agencies Board of Directors;
 - x. the distribution of required reports and supporting schedules for PennDOT, FTA, Departments of Public Welfare, and local agencies, and;
 - xi. any other services or products to be provided to the individual transit agencies.
- E. **Fee Proposal.** The fee structure for this engagement is a cost plus structure with a not-to-exceed capped amount for all services described in Section 9 of this RFP and any additional services proposed in response to this RFP. The proposal shall include a detailed fee schedule for each of the two (2) years of the contract. For each of the two (2) years, the fee schedule must clearly specify the maximum number of hours by position title and the rate for each position to arrive at the proposed annual fee for each agency. Proposer is also to clearly itemize other expenses (i.e. travel, mileage, etc.) as part of its cost proposal.
- F. **Disadvantaged Business Enterprise Participation.** The proposal must outline the extent to which Disadvantaged Business Enterprises (DBEs) are included in the proposed services including DBE company name(s), contact information, service to be provided and portion of proposed fee to be received by DBE firm(s). The proposal shall also indicate under what authority DBE certification was established, including a copy of such certification as an attachment.
- G. **Executed Forms.** Proposer shall submit properly executed forms as contained in the appendix of this RFP.

5. Evaluation Process and Selection Criteria

- A. Evaluation Process
- i. A [INSERT TRANSIT AGENCY'S NAME] Evaluation Committee ("Committee") will first determine which proposers are qualified based on the qualification requirements shown in Section 2 and which proposers were responsive to the submittal requirements described in Section 4.
 - ii. The Committee will then score and rank each proposal received from the qualified and responsive proposers using the selection criteria described in Section 5. Based on these scores and ranks, one or more qualified proposers may be selected to be interviewed by the Committee.

- iii. Oral presentations will be evaluated on the basis of the selection criteria described in Section 5 in addition to the quality of the presentations and responses to questions posed by the Committee.
- iv. If suitable proposals are received, [INSERT TRANSIT AGENCY'S NAME] may request best and final offers from qualified proposers. Negotiations with the highest ranked firm will commence with the intention of awarding the contracts. If negotiations with the highest ranked firm are unsuccessful, [INSERT TRANSIT AGENCY'S NAME] may decide to commence negotiations with the next highest ranked firm and so on until a contract(s) is awarded.
- v. [INSERT TRANSIT AGENCY'S NAME] reserves the right to accept or reject any or all proposals and to separately negotiate with any firm in a manner deemed appropriate to serve in the best interests of [INSERT TRANSIT AGENCY'S NAME].
- vi. [INSERT TRANSIT AGENCY'S NAME] reserves the right to make its decision on submitted proposals only and to waive any immaterial irregularities.
- vii. Following the Committee's evaluation of all proposals, the Committee will select and recommend one (1) proposal which will be reviewed with the Executive Director of the agency. The Executive Director will then forward the recommended proposal to their Board of Directors for final action. Only upon formal action of the board will contracts be awarded. The Board of Directors have the right to reject all proposals.

B. Selection Criteria

Proposals will be evaluated and ranked pursuant to the weight of each of the criteria shown below:

- i. **Firm and Engagement Team Background and Experience** **30%**
 - Experience of the firm and the assigned engagement team in completing financial audits for municipal authorities, especially transportation authorities, who receive Federal and PennDOT funding
 - Experience of the firm and the assigned engagement team in performing Federal single audits and compliance audits
 - Quality of references
 - Experience, education, supplemental training, and certifications of the assigned engagement staff
 - DBE certification and/or use of DBE firm(s)
- ii. **Work Plan Strategy and Implementation** **45%**
 - Proposer's ability to initiate and complete audits in a timely manner while ensuring a high quality product
 - Proposer's approach demonstrates an advisory and advocacy relationship with its clients
 - Proposer is communicative throughout the audit process, provides satisfactory direction

- Proposer demonstrates the ability to understand and successfully fulfill all federal and PennDOT reporting requirements
- Work plan demonstrates the proposer’s understanding of the required tasks and deliverables, provides a clear confirmation of proposer’s intent to complete all tasks, and presents all deliverables and final audit reports by the timelines listed in the Scope of Services section of this RFP.
- Work plan schedule provides for sufficient review time of all deliverables by client and works collaboratively with client to meet audit and all reporting requirements.

iii. Fee Proposal

25%

Fee schedule for services proposed relative to other proposals.

6. Contract Award

[INSERT TRANSIT AGENCY’S NAME] anticipates a contract award by [INSERT DATE].

7. Proposal Results

The contents of proposals shall be made available to the public within the limitations stipulated in Federal and Commonwealth Freedom of Information Acts upon written request only after contract award.

8. Protest Procedures

A. Protests Prior to Submittal of Proposals

Any protests, prior to the submittal of proposals, must be submitted in writing and received by [INSERT TRANSIT AGENCY’S NAME] at least seven (7) business days prior to the submittal due date for the proposal pursuant to this RFP. All protests must be in writing and supported by sufficient justification for the protest to be considered. No protest will be considered if [INSERT TRANSIT AGENCY’S NAME] determines that such protest lacks sufficient justification or if such protest is not received within the specified time frame. Any such protests must be submitted to the contact person noted in Section 3.

[INSERT TRANSIT AGENCY’S NAME]’s response to protests shall be in writing and shall set forth the reasons for its response. [INSERT TRANSIT AGENCY’S NAME]’s decision is final, unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

B. Protests After Submission of Proposals

Any protests received by [INSERT TRANSIT AGENCY’S NAME] subsequent to the opening of proposals, must be submitted in writing and will be considered only with regard to issues which were not apparent before the submission of proposals. No protests of technical specifications, drawings, scope of work, or evaluation criteria that are received subsequent to proposal

submission will be considered. Any such protests must be submitted to the contact person noted in Section 3.

The written protest received after proposal submission, including a protest of contract award, must be received by [INSERT TRANSIT AGENCY'S NAME] within five (5) business days of the action being protested. No other form than a written protest will be considered. After the time of protest of award has expired, these protest procedures shall be considered to be inapplicable and any disputes will be resolved by [INSERT TRANSIT AGENCY'S NAME] under contract provisions or other remedies, if available. Protests submitted to [INSERT TRANSIT AGENCY'S NAME] shall:

- i. Include the name and address of the protester.
- ii. Clearly identify the procurement under which the protest is being submitted.
- iii. Identify the action being protested and provide sufficient detailed documentation to support the protest action.
- iv. Indicate the action, ruling or relief desired from the [INSERT TRANSIT AGENCY'S NAME].

9. Scope of Services

The proposer will be required to conduct an audit in accordance with GAS. This audit will result in the preparation of an audit report containing financial statements prepared in accordance with GAAP as promulgated by the GASB. In addition, the proposer will be required to conduct a Federal Single Audit and provide a Federal Single Audit report pursuant to the OMB Circular A-128, "Audits of State and Local Governments." The audit shall comply with the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and OMB Circular A-133 and be sufficient to issue an independent auditors report on the following:

- A. Report on Compliance and on Internal Control Over Financial Reporting Based on Audit of Financial Statements Performed in Accordance with GAS; and
- B. Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in accordance with OMB Circular A-133.

As part of this scope of service, Proposers, in the course of performing an audit for [INSERT TRANSIT AGENCY'S NAME], are required to issue a report with regard to the compliance of grants provided by the Commonwealth pursuant to PennDOT's Guidelines on Grant Management, Accounting and Reporting. Proposers are also responsible for advising [INSERT TRANSIT AGENCY'S NAME] of any other required audits that are discovered in the course of this engagement in order for the agencies to be in compliance with Federal, State, and local guidelines and legislation.

The table below shows the components of the services to be performed by either the transit agency or the proposer. Proposers are instructed to rely on this information to understand the level of effort required to perform the services while taking into consideration the level of support and assistance that will be provided by agency staff within [INSERT TRANSIT AGENCY'S NAME].

Financial Statement/Supplemental Information	Version	Responsibility
Trial Balance	--	Agency
Management Discussion and Analysis	Preliminary	Proposer
	Final	Proposer
Statement of Revenue, Expenses and Change in Net Assets	Preliminary	Agency
	Final	Proposer
Balance Sheet	Preliminary	Agency
	Final	Proposer
Statement of Cash Flows	Preliminary	Proposer
	Final	Proposer
Statement of Capital Grants	Preliminary	Agency
	Final	Proposer
Notes to Financial Statements	Preliminary	Proposer
	Final	Proposer
Schedule of Revenues and Other Income	--	Agency
Schedule of Operating Expenses	--	Agency
Depreciation Schedules	--	Proposer
Account Reconciliations	--	Agency
Schedule of Operating Assistance Funding	--	Agency
Schedule/Copies of Grant Agreements	--	Agency
Schedule of Investments	--	Agency
Schedules of Uncompleted Capital Projects	--	Agency
Schedule of Capital Projects Completed During the Year	--	Agency
Schedule of Expenditures of Federal Awards	Preliminary	Proposer
	Final	Proposer

Financial Statement/Supplemental Information	Version	Responsibility
Federal Single Audit Report	--	Proposer
PennDOT Compliance Audit Report	--	Proposer
Schedule of Findings and Questioned Costs	Preliminary	Proposer
	Final	Proposer
Summary Schedule of Prior Audit Findings	Preliminary	Proposer
	Final	Proposer
PennDOT Legacy Budget Reports and Supporting Schedules	Preliminary	Agency
	Final	Proposer
National Transit Database (NTD) Agreed Upon Procedures	--	Proposer
County MATP ¹ Agreed Upon Procedures	--	Proposer
Report to Board of Directors – Board of Directors Meeting	--	Proposer

Deliverables

Deliverable	Due Date	Number of Copies
Pre Audit Review with Audit Committee	[INSERT DATE]	--
Financial Audit Report	[INSERT DATE]	30
Federal Single Audit Report	[INSERT DATE]	20
PennDOT Grant Management Compliance Report	[INSERT DATE]	20
Report to Department of Community and Economic Development	[INSERT DATE]	1
Internal Control Letter	[INSERT DATE]	20
Post Audit Review with Audit Committee	[INSERT DATE]	--
Report to Board of Directors	[INSERT DATE]	20
NTD Agreed Upon Procedures	[INSERT DATE]	10

10. Schedule

The table below is the planned schedule of activities associated with this RFP:

Activity	Date
Advertisement of RFP	[INSERT DATE]
Proposer Questions Deadline	[INSERT DATE]
Proposal Submission Deadline	[INSERT DATE]
Interviews with Selected Firms	[INSERT DATE]
Award of Contract	[INSERT DATE]

11. Executed Forms

Proposer's are required to complete each of the forms listed below and include them in the submission of their proposals. These forms are included in the Attachments of this RFP.

- A. Attachment 1 – Non-Collusion Affidavit
- B. Attachment 2 – Commonwealth Non-Discrimination Clause
- C. Attachment 3 – Lobbying Certificate
- D. Attachment 4 – Disadvantaged Business Enterprise
- E. Attachment 5 - Certification of Lower Tier Participant Regarding Disbarment, Suspension, and Other Ineligibility and Voluntary Exclusions
- F. Attachment 6 - Debarment Certification
- G. Attachment 7 - Americans with Disabilities Act

ATTACHMENT 1

Affidavit of Non-Collusion

I hereby swear (or affirm) under the penalty of perjury:

- (1) That I am the proposer (if the proposer is an individual), a partner of the proposer (if the proposer is a partnership), or an officer or employee of the proposer having corporation authority to sign on its behalf (if the proposer is a corporation);
- (2) That the attached proposal or proposals have been arrived at by the proposer independently and have been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Request for Proposals designed to limit independent proposing or competition;
- (3) That the contents of the proposal or proposals have not been communicated by the proposer or its employees or agents to any person not an employee or agent of the proposer or its surety on any bond furnished with the proposal or proposals, and will not be communicated to any such person prior to the official opening of the proposal or proposals; and
- (4) That I am not on the Comptroller General's List of Ineligible Contractors' and
- (5) That I have fully informed myself regarding the accuracy of the statements made in the affidavit.

Signed: _____

Firm: _____

Subscribed and sworn to before me

this _____ day of _____ 20 ____

Notary Public

My Commission Expires _____ 20 ____

Proposer's Employer Identification Number _____

(As used on employer's quarterly Federal Tax Return)

Failure to submit this form in a properly executed manner will result in the bid/proposal being found non-responsive and rejected. This certification required for all procurements.

ATTACHMENT 2

Commonwealth Non-Discrimination Clause

During the term of this Agreement, Contractor agrees as follows:

- (1) Contractor shall not discriminate against any employee, applicant for employment, independent contractor, or any other person because of race, color, religious creed, ancestry, national origin, age, or sex. Contractor shall take affirmative action to ensure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, or sex. Such affirmative action shall include, but is not 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. Contractor shall post in conspicuous places, available to employees, agents, applicants for employment and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.
- (2) Contractor shall in advertisements or requests for employment placed by Contractor or on Contractor's behalf state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, or sex.
- (3) Contractor shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by Contractor.
- (4) It shall be no defense to a finding of a noncompliance with Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission ("Commission") or this nondiscrimination clause that Contractor had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents Contractor from meeting Contractor's obligations. However, if the evidence indicates that the Contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons, so that Contractor will be unable to meet Contractor's obligations under the Contract Compliance Regulations issued by the Commission or this nondiscrimination clause, Contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.
- (6) Contractor shall comply with the Contract Compliance Regulations of the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49 and with all laws prohibiting discrimination in hiring or employment opportunities. In the event of Contractor's noncompliance with the non-discrimination clause of this Agreement or with any such laws,

this Agreement may, after hearing and adjudication, be terminated or suspended, in whole or in part, and Contractor may be declared temporarily ineligible for further Commonwealth contracts, and such other sanctions may be imposed and remedies invoked as provided by the Contract Compliance Regulations.

- (7) Contractor shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by, the contracting agency and the Commission, for purposes of investigation to ascertain compliance with the provisions of the Contract Compliance Regulations, pursuant to § 49.35 (relating to information concerning compliance by contractors). If Contractor does not possess documents or records reflecting the necessary information requested, Contractor shall furnish such information on reporting forms supplied by the contracting agency or the Commission.
- (8) Contractor shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Contractor shall include the provisions of this nondiscrimination clause in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) The terms used in this nondiscrimination clause shall have the same meaning as in the Contract Compliance Regulations issued by the Pennsylvania Human Relations Commission, 16 Pa. Code Chapter 49.
- (11) Contractor obligations under this clause are limited to the Contractor's facilities within the Commonwealth, or, where the contract is for purchase of goods manufactured outside of the Commonwealth, the facilities at which such goods are actually produced.

Signed: _____ Date: _____

Title: _____

Firm: _____

ATTACHMENT 3

Restrictions on Lobbying Certification

The Proposer hereby certifies that:

- (1) No Federal appropriated funds have been paid or will by or on behalf of the proposer, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement, the bidder shall complete and submit standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The proposer shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and the contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into submission of this certification is a prerequisite for making or entering into this transaction imposed by 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$10,000.00 for each such failure.

Signed: _____ Date: _____

Title: _____

Firm: _____

Failure to submit this form in a properly executed manner will result in the bid/proposal being found non-responsive and rejected. This certification required for all procurements where the bid/proposal price exceeds \$100,000.

ATTACHMENT 4

Disadvantaged Business Enterprise (DBE) Certification- Non-Vehicle Purchases

Policy: It is the policy of the United States Department of Transportation and the Pennsylvania Department of Transportation that DBE's as defined in 49 CFR Part 23 as amended, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal and/or Commonwealth funds under the agreement which results from the Purchaser's acceptance of the proposer's offer. Consequently, the DBE requirements of 49 CFR Part 23, as amended, apply to that agreement.

DBE Obligation: The proposer/contractor agrees to ensure that DBE's as defined in 49 CFR Part 23, as amended, have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under the agreement which results from the contracting agency's acceptance of the proposer's offer. In this regard, all proposers/contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 23, as amended, to ensure that DBEs have the maximum opportunity to compete for and perform contracts. Proposers/contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of the United States and Pennsylvania Departments of Transportation assisted contracts.

Signature: _____ Date: _____

Title: _____

Firm: _____

ATTACHMENT 5

**Certification Regarding
Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

- (1) The prospective primary participant certifies to the best of its knowledge and belief that it and its principals:
 - a) Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective primary participant shall attach an explanation to this proposal.

Firm: _____

Date: _____

By: _____
Name and Title of Authorized Representative

ATTACHMENT 6

INSTRUCTIONS FOR CERTIFICATION

- (1) By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
- (2) The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
- (3) The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
- (4) The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (5) The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations (13 CFR Part 145).
- (6) The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
- (7) The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- (8) A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended,

ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the ineligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

- (9) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (10) Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

ATTACHMENT 6

Debarment Certification

The proposer hereby certifies to the best of its knowledge and belief, that its principals, and the principals of its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by the Commonwealth, the Federal Government or other states;
- (2) Have not within the preceding three-year period been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
- (4) Have not within the preceding three-year period had one or more public transactions (Federal, State or local) terminated by cause or default.

THE PROPOSER CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION.

Signature: _____ Date: _____

Title: _____

Firm: _____

Failure to submit this form in a properly executed manner will result in the bid/proposal being found non-responsive and rejected. This certification required for all procurements.

ATTACHMENT 7

Americans with Disabilities Act Compliance

The undersigned agrees to comply with, and assure that any third party contractor under this Engagement complies with all applicable requirements of the Americans with Disabilities Act of 1990 ("ADA"), 42 USC & 12101 et seq. and 49 USC & 322; Section 504 of the Rehabilitation Act of 1973, as amended, 29 USC & 794; Section 16 of the Federal Transit Act, as amended, 49 USC app. & 1612; and the following regulations and any thereto:

- (1) U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. Part 37;
- (2) U.S. DOT regulations, "Nondiscrimination on the basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27;
- (3) U.S. DOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 49 C.F.R. Part 38;
- (4) Department of Justice(DOJ) regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35;
- (5) DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. Part 36;
- (6) General Services Administration regulations, "Construction and Alteration of Public Buildings," "Accommodations for the Physically Handicapped," 41 C.F.R. Part 101-19;
- (7) Equal Employment Opportunity Commission (EEOC) "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630;
- (8) Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F; and
- (9) Federal Transit Administration regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. Part 609.

Signature: _____

Title: _____

Date: _____

Failure of Proposer to complete this form and submit it with proposal will render the proposal non-responsive.

CONTRACT

AGREEMENT

BY AND BETWEEN

(INSERT TRANSIT AGENCY NAME)

AND

(INSERT CONTRACTOR NAME)

THIS AGREEMENT is entered into this _____ day of _____, 20__ by and between the [INSERT TRANSIT AGENCY NAME], a public transportation authority of the Commonwealth of Pennsylvania (“Client”) and [INSERT CONTRACTOR NAME], a [Insert State] [Insert CONTRACTOR’S legal entity] qualified to do business in Pennsylvania (“Contractor”).

WHEREAS, Client requires a certified public accounting firm to provide financial audit services; and

WHEREAS, Contractor is a certified public accounting firm experienced in conducting financial audits for public municipalities and or public transportation providers; and

WHEREAS, to obtain qualified contractors, Client required submission of proposals to provide financial audit services as described in its "Request for Proposal Financial Audit Services (“RFP”) dated [Insert date of RFP], and

WHEREAS, in response to the RFP, Contractor submitted a proposal (“Contractor’s Proposal”) and, in reliance thereon, Client has selected Contractor to provide the financial audit services, and

WHEREAS, Client hereby wishes to engage the services of Contractor and it has agreed to provide the services described herein to Client.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. RECITALS

The Recitals are incorporated herein by reference and made a part of this Agreement hereof.

II. REFERENCES

In this Agreement, except where expressly stated to the contrary:

A. the RFP, Contractor's Proposal and the Schedules, Attachments, and Exhibits to this Agreement are, by this reference, incorporated into and made a part of this Agreement and all references to and mentions of this Agreement shall include the RFP, Contractor's Proposal and the Schedules, Attachments, and Exhibits to this Agreement as so incorporated into this Agreement;

B. references to and mentions of Client and Contractor include their respective legal successors and persons and entities to whom, by operation of law, the rights and duties of Client and Contractor, respectively, have passed;

C. references to any Federal, State, or local law, regulation or statute shall include, as of any particular point in time, that law, regulation or statute in changed, amended or

supplemented form or to a newly adopted law, regulation or statute replacing a previous law or statute; and

D. references to and mentions of the words “include,” “including” or the phrase “e.g.” in this Agreement shall mean “including, without limitation”.

III. INTERPRETATION OF DOCUMENTS

In the event of a conflict between the terms of the RFP and Contractor’s Proposal, the terms of the RFP shall prevail. In the event of a conflict between the terms of the RFP or the Contractor’s Proposal, on the one hand, and any other portion of this Agreement, on the other hand, the terms of this Agreement shall prevail.

IV. FAMILIARITY WITH PROPOSAL DOCUMENTS

Contractor shall thoroughly examine and be familiar with all Agreement documents, including but not limited to the legal and procedural documents, proposal conditions, specifications and addenda, if any, as well as any related requirements of these proposal conditions and specifications. The submission of a proposal shall constitute an acknowledgement that Contractor has thoroughly examined and is familiar with the Agreement documents and specifications in every detail.

V. SCOPE OF SERVICES

Contractor shall provide services as described in the Scope of Services which is attached hereto as **Exhibit A** and made part of this Agreement (hereinafter referred to as the “Engagement”). Further, the Contractor shall follow the Schedule of Deliverables and Meetings which is attached hereto as **Exhibit B** and made a part hereof. Client shall provide Contractor

with access to Client's offices and personnel as are reasonably required for Contractor to perform its duties and responsibilities under this Agreement. Client will also make reasonable efforts to provide all relevant and necessary information in its possession requested by Contractor for this Engagement.

VI. TERM

The term of this Agreement shall commence upon approval by the [INSERT TRANSIT AGENCY'S NAME] Board of Directors and remain in effect until [INSERT DATE] unless terminated earlier according to the terms of this Agreement.

VII. TIMELINE

The projected timeline for each component of the Engagement is attached hereto as **Exhibit C** and made part of this Agreement.

VIII. COMPENSATION and PAYMENT

A. Contractor shall provide the services agreed to in this Agreement for the annual total costs (including fees and expenses) not to exceed the amounts shown for each year in **Exhibit D** and made part of this Agreement. Contractor shall be reimbursed according to the fee schedule of hourly rates attached as **Exhibit E** which is made part of this Agreement.

B. Payment beyond the total cost for any year will not be made unless there is a mutually agreed upon change in the scope of services which requires an increase in the total Engagement cost for any year. Such an increase in the total Engagement cost will only occur through a written amendment to this Agreement. Contractor shall not perform any additional

service or incur any additional expense pertaining to the changed scope of service unless a written amendment to this Agreement is executed.

C. Consultant shall submit an invoice to Client following the completion of all engagement deliverables listed in **Exhibit B**. The invoice shall show the number of hours worked per day by individual, the hourly rate per individual, the services performed by day per individual, and expenses, if any, related to work performed up until the time of each deliverable submission. Expenses shall include transportation (train, air, taxi, mileage, tolls, and parking), lodging, meals, reproduction costs, and miscellaneous expenses that are allowable by Client. Invoice will be structured in a format that is approved by the Client.

D. Client shall make its best efforts to pay Contractor for an approved invoice within 30 days of receipt of an acceptable invoice from the Consultant. Under no circumstances shall Client be required to pay any interest or additional charges of any kind whatsoever. Contractor shall, in accordance with 49 C.F.R. §26.29, pay its subcontractors for satisfactory performance of their contracts no later than 10 days from receipt of payment Contractor from Client for any invoice that includes work performed by such subcontractors. Contractor's failure to comply with these requirements shall constitute a material breach of this Agreement. Any delay or postponement of payment of Contractor to its subcontractors may take place only for just cause and with written prior approval of Client.

IX. STAFFING

A. Contractor's Obligation to Secure - Contractor shall provide, at its own expense, all personnel required for its performance of the Engagement, in accordance with the terms of this Agreement. Such personnel shall not be employees of Client, the Commonwealth of

Pennsylvania, or the Federal Transit Administration (“FTA”). Employment fees, if any, shall not be considered as a reimbursable cost hereunder, except to the extent allowable pursuant to Federal Acquisition Regulations (48 C.F.R., Part 31). All employees of Contractor or any of its subcontractors or suppliers, including, without limitation, all Key Personnel (as such term is defined in Section C below), whether performing their functions at Contractor’s place of business, Client’s place of business or elsewhere, shall, at all times, be and remain employees of Contractor or the appropriate subcontractor or supplier and shall not be employees of the Client. Contractor shall pay or cause its subcontractors and suppliers to pay all wages, salaries and other amounts due to their respective employees who perform on Contractor’s behalf under this Agreement and Contractor or its subcontractors or suppliers shall be responsible for all reports, payments and other obligations respecting such employees, including without limitation, those obligations relating to social security, income tax withholding, unemployment compensation and worker’s compensation. Contractor, at its sole cost and expense, shall defend Client and its permitted assignees under this Agreement against or settle all claims and proceedings based upon any breach by Contractor of its obligations under this Section IX.A or based upon any claim by any employee of Contractor or any of its subcontractors or suppliers that is inconsistent with the provisions of this Section IX.A and shall indemnify and hold harmless Client against and from any losses, costs or expenses associated therewith.

B. Contractor’s Obligation to Supervise - All of the services required hereunder will be performed by Contractor or under its supervision, and all personnel engaged in the performance of the Contract Services shall be Contractor’s or its approved subcontractors’ employees, and Contractor shall be solely responsible for assuring that all such personnel are

fully qualified to perform such Contract Services and are adequately supervised during such performance.

C. Personnel - Client and Contractor shall each designate an individual within their organizations as the primary contact and liaison with the other party for all matters arising under this Agreement (each individually being an “Engagement Manager” and collectively the “Engagement Managers”). Contractor’s Engagement Manager and each of the personnel identified in **Exhibit F**, which is made part of this Agreement, (collectively, “Engagement Personnel”) shall perform the Engagement as so assigned in Exhibit A, unless his or her employment with Contractor is terminated or unless he or she is removed pursuant to Client’s written request as provided for under this Agreement. Contractor shall notify Client of the termination of any of Engagement Personnel within seven days after the occurrence of such action.

D. Removal of Engagement Personnel. - Contractor shall remove from the performance of the Engagement any of its personnel theretofore assigned to the performance of the Engagement within five days, unless an earlier time is specified by Client, of a written request from Client that Contractor do so.

E. Dedication of Engagement Personnel – Engagement Personnel shall be dedicated to the fulfillment of Contractor’s obligations under this Agreement. Engagement Personnel shall be assigned to and participate in the performance of the Engagement in accordance with Section IX.C (i.e., as set forth in Exhibit A) until the completion of the assigned portion(s) of the Engagement, or such earlier time as Client acknowledges, in writing, that the work of certain Key Personnel has been completed and are thus no longer required to participate in the

performance of the Engagement. The Engagement Personnel shall not be removed from their assigned portion(s) of the Engagement except in case of death, illness, discharge or resignation, or similar circumstances beyond the Contractor's reasonable control. If any of the Engagement Personnel become unavailable to participate in the performance of their assigned portion(s) of the Engagement due to such circumstances beyond the Contractor's control, then the Contractor shall promptly appoint an appropriately qualified replacement subject to Client's approval, which shall not be unreasonably withheld. Client shall be entitled to complete information on each such replacement, including a current resume of his or her qualifications and experience. If the Contractor informs Client that it wishes to relocate any of the identified Engagement Personnel and remove him or her from their assigned portion(s) of the Engagement, for its own or the Engagement Personnel's reasons not having to do with death, illness, discharge or similar circumstances, Client may, at its sole discretion, permit substitution of another qualified person, but only upon the Contractor's agreement that: (1) the current Engagement Personnel will remain working on their assigned portion(s) of the Engagement for at least a thirty (30) day transition period with the replacement and or such other term as deemed necessary by Client, in writing, to ensure adequate transition, (2) Client will not be charged for the time of the replacement during the transition period. Contractor will not be required to retain Engagement Personnel on the Engagement if that portion of the Engagement, in whole or in part, is suspended for a period in excess of ninety (90) calendar days.

F. Additions to Engagement Personnel - If additions to Engagement Personnel become necessary, for whatever reason, Contractor shall designate, by written notice to Client,

those individuals whom Contractor proposes as additional Engagement Personnel. Client shall have the right to approve additional Engagement Personnel, which approval shall not be unreasonably withheld. From time to time Client may request, and upon such request Contractor shall provide to Client, resumes, references or other information relating to any Engagement Personnel.

G. Contractor shall provide the services for this Engagement through the employees or subcontractors listed in Exhibit F. The Contractor shall not assign any work of this Engagement to persons other than those listed in Exhibit F without the prior written consent of Client. Contractor shall be responsible for the work, conduct and coordination of these persons at all times. The Contractor represents and warrants to Client that the concepts, ideas, studies, models, presentations, reports, electronic files and other materials produced by these persons under this Agreement do not infringe on any copyright or personal or proprietary rights of others, and the Consultant has the unencumbered right to enter into this Agreement.

X. ENGAGEMENT MANAGER FOR CLIENT AND CONTRACTOR

Client designates [INSERT AGENCY EMPLOYEE NAME], [INSERT AGENCY EMPLOYEE TITLE], as Client's Engagement Manager. [He/She] may be contacted by phone at [INSERT PHONE NUMBER] or by email at [INSERT EMAIL ADDRESS].

Contractor designates [INSERT CONTRACTOR EMPLOYEE NAME], [INSERT CONTRACTOR EMPLOYEE TITLE], as Contractor's Engagement Manager. [He/She] may be contacted by phone at [INSERT PHONE NUMBER] or by email at [INSERT EMAIL ADDRESS].

XI. NOTICE TO PROCEED

Contractor shall only be authorized to begin incurring costs on the Engagement upon receipt of a properly executed "Notice to Proceed" from Client.

XII. NO OBLIGATION BY THE FEDERAL GOVERNMENT OR COMMONWEALTH

A. Client and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government or Commonwealth in or approval of the solicitation or award of this Agreement, absent the express written consent by the Federal Government or Commonwealth, the Federal Government or Commonwealth is not a party to this Agreement and shall not be subject to any obligations or liabilities to Client, Contractor, or any other party (whether or not a party to this Agreement) pertaining to any matter resulting from this Agreement.

B. Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by the FTA and PennDOT. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

XIII. INSURANCE

Contractor shall procure and maintain the following specified insurance coverage during the entire life of this Agreement, including extensions thereof.

A. Professional Liability, Errors, and Omissions Insurance, at a limit of not less than One Million Dollars (\$1,000,000) per occurrence, One Million Dollars (\$1,000,000) aggregate in the event that service delivered pursuant to this Agreement, either directly or indirectly,

involves professional services. Policy shall provide coverage for legal liability for damages caused by an error, omission or negligent act in the performance of professional services. Policy extended reporting period or policy renewal must provide that the policy will respond to claims made for at least twenty-four (24) months after completion of the Engagement.

B. Valuable Papers coverage shall be maintained by Contractor in an amount sufficient to assure restoration of any plans, drawings, field notes, records, or other similar data relating to work covered by this Agreement in the event of their loss or destruction.

C. Workers' Compensation and Employer's Liability coverage as required by the Commonwealth of Pennsylvania.

D. Commercial General Liability Insurance, at a limit of not less than One Million Dollars (\$1,000,000) per occurrence; Two Million Dollars (\$2,000,000) general aggregate.

E. Automobile Liability Insurance at a limit of not less than One Million Dollars (\$1,000,000) per accident. Policy shall cover the use of all owned, hired and non-owned vehicles.

F. As respects to Commercial General Liability Insurance, Client, Client's elected/appointed officials, employees, and agents shall be covered, by endorsement, as additional insureds as respects to liability arising out of any activities performed by or on behalf of Contractor in connection with this Agreement.

G. To the extent of Contractor's negligence, the Contractor's insurance coverage shall be primary insurance as respects to Client, Client's elected/appointed officials, employees, and agents. Any insurance and/or self-insurance maintained by Client, Client's

elected/appointed officials, employees, or agents shall not contribute with Contractor's insurance or benefit Contractor in any way.

H. Required insurance coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits, except by the reduction of the applicable aggregate limit by claims paid, until after forty-five (45) days prior written notice has been given to Client. There will be an exception for non-payment of premium, which is ten (10) days notice of cancellation.

I. Unless otherwise approved by Client, insurance is to be placed with insurers with a Best's rating of no less than A:VII, or, if not rated with Best's, with minimum surpluses the equivalent of Best's surplus size VII and said insurers must be licensed/approved to do business in the Commonwealth of Pennsylvania.

J. Contractor shall furnish to Client a "Certificate of Insurance", with a copy of the additional insured endorsement as verification that coverage is in force.

K. Failure to obtain insurance coverage as required or failure to furnish Certificate(s) of Insurance as required shall be a default by the Contractor under this Agreement.

L. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates of insurance and policy endorsements for each subcontractor. Insurance coverage provided by subcontractors as evidence of compliance with the insurance requirements of this Agreement shall be subject to all of the requirements stated herein.

XIV. TERMINATION FOR CAUSE

If Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if Contractor shall violate any of the covenants, terms or stipulations of this

Agreement, Client shall thereupon have the right to terminate this Agreement, provided Contractor has failed to cure such violation within ten (10) days after receiving written notification from Client. Client shall have the right to terminate this Agreement without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude Client from also pursuing all available remedies against Contractor and Contractor's sureties for said breach or default. If the termination is for failure of Contractor to fulfill the obligations under this Agreement, Client may complete the work by contract or otherwise and Contractor shall be liable for any additional cost incurred by Client. Contractor will receive compensation for actual hours worked and actual expenses incurred for any approved invoices related to work completed prior to such termination pursuant to the terms of the Agreement.

Contractor's right to proceed shall not be terminated nor the Contractor charged with damages under this clause if:

A. the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of Contractor. Examples of such causes include: acts of God, acts of Client, acts of another contractor in the performance of an agreement with Client, epidemics, quarantine restrictions, strikes, freight embargoes; and

B. Contractor, within ten (10) days from the beginning of any delay, notifies Client in writing of the causes of delay. If in the judgment of Client, the delay is excusable, the time for completing the work shall be extended. The judgment of Client shall be final and conclusive on the parties, but subject to appeal under the Disputes clause in Section XVI.

If, after termination of Contractor's right to proceed, it is determined that Contractor was not in default, or that the delay was excusable, Client, after setting up a new delivery of performance schedule, may allow Contractor to continue work, or treat the termination as a termination for convenience.

Notwithstanding the above, Contractor shall not be relieved of liability to Client for damages sustained by Client by virtue of any breach of this Agreement. In the event that Client elects to waive Client's remedies for any breach by Contractor of any covenant, term or condition of this Agreement, such waiver by Client shall not limit Client's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Agreement.

XV. TERMINATION FOR CONVENIENCE

Client may terminate this Agreement, in whole or in part, at any time upon ten (10) days prior written notice to Contractor. Contractor will receive compensation for actual hours worked and actual expenses incurred for any approved invoices related to work completed prior to such termination pursuant to the terms of the Agreement. Contractor will not receive compensation for any anticipated profit or unperformed services. Contractor shall promptly submit its termination claim to Client to be paid Contractor. If Contractor has any property in its possession belonging to Client, Contractor will account for the same, and dispose of it in the manner Client directs.

XVI. BREACHES AND DISPUTE RESOLUTION (49 CFR PART 18; FTA CIRCULAR 4220.1F)

A. Disputes - Disputes arising in the performance of this Agreement which are not resolved by agreement of the parties shall be decided in writing by Client. This decision shall be

final and conclusive unless within ten (10) days from the date of receipt of its copy, Contractor mails or otherwise furnishes a written appeal to Client. In connection with any such appeal, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of Contractor's position. The decision of Client shall be binding upon Contractor and Contractor shall abide by the decision.

B. Performance During Dispute - Unless otherwise directed by Client, Contractor shall continue performance under this Agreement while matters in dispute are being resolved.

C. Claims for Damages - Should either party to this Agreement suffer injury or damage to person or property because of any act or omission of the party or of any of its employees, agents or others for whose acts it is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.

D. Remedies - Unless this Agreement provides otherwise, all claims, counterclaims, disputes, and other matters in question between Client and Contractor arising out of or relating to this Agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the Commonwealth.

E. Rights and Remedies - The duties and obligations imposed by the Agreement Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by Client or Contractor shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act

constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

XVII. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless Client, and its respective officers, agents, servants, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from Contractor's negligent acts, errors or omissions in the performance of the Scope of Services under this Agreement.

With respect to its indemnification obligation hereunder, Contractor hereby assumes the entire responsibility and liability for any and all injury (including death resulting therefrom to employees of Contractor caused by, resulting from, arising out of or occurring in connection with the performance of the Scope of Services in **Exhibit A** and made part of this Agreement, and if any claims for such damage or inquiry (including death resulting therefrom) be made or asserted, whether or not such claims are based upon Client's alleged or actual negligent acts, errors, or omissions, Contractor agrees to indemnify, defend and hold harmless Client and its respective officers, agents, servants, and employees from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees, that they may directly or indirectly sustain, suffer or incur as a result thereof.

In the event of any liability claim against the Contractor or Contractor's personnel, the Contractor and Contractor's personnel shall not seek to join Client, Client's elected/appointed officials, employees, agents, or volunteers in such action or hold such responsible in any way for

legal protection of the Contractor's and/or Contractor's personnel. This indemnification provision shall survive termination of this Agreement.

XVIII. AUDITS

At any time during business hours and as often as Client may deem necessary, there shall be made available to Client for examination, Contractor's and its subcontractors' records with respect to matters covered by this Agreement. Contractor and Contractor's subcontractors shall permit Client to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, records of personnel, conditions of employment, and other data relating to matters covered by this Agreement.

XIX. RETENTION OF RECORDS

Contractor and Contractor's subcontractors agree to maintain all books, records, accounts and reports required under this Agreement for a period of the latter of not less than seven (7) years after the later of the date of termination or expiration of this contract; or after payment by Client of the final invoice, except in the event of litigation or settlement of claims arising from the performance of this Agreement, in which case Contractor agrees to maintain same until Client, FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i) (11). If Contractor or its subcontractors should go out of existence, custody of the records will be transferred to Client.

XX. PRIVACY

To the extent Contractor or any subcontractor or Contractor's or subcontractor's employees administers any system of records on behalf of Client or the Federal Government, the Contractor agrees to comply with, and assures the compliance of each affected subcontractor at any tier, and subcontractor's employees with the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. Section 552 (the Privacy Act).

XXI. ASSIGNABILITY

Except as indicated in this Agreement, Contractor shall not assign or transfer any part of the work to be done or services provided under this Agreement to a third party without the prior written consent of Client.

XXII. AGREEMENT CHANGES

Client shall have the right, at any time prior to completion of the work to direct changes in this Agreement, including but not limited to, change in the scope of work. If the change causes an increase or decrease in the cost of, or the time required for Contractor's performance under this Agreement; Contractor must submit to Client within ten (10) days after receipt of the change notice any request for adjustment. Client will issue an addendum to this Agreement for equitable adjustments.

XXIII. CHANGED CONDITIONS OF PERFORMANCE (INCLUDING LITIGATION)

Contractor agrees to notify Client immediately of any change in law, conditions, or any other event that may significantly affect Contractor's ability to perform the Engagement in accordance with the terms of this Agreement. In addition, Contractor agrees to notify Client

immediately of any decision pertaining to Contractor's conduct of litigation that may affect Client's interests in the Engagement. Before Contractor may name Client as a party to litigation for any reason, in any forum, Contractor agrees to inform Client.

XXIV. NO WAIVER/CUMULATIVE REMEDIES

No failure by Client to exercise and no delay in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

XXV. APPLICABLE LAW

This Agreement is made in the Commonwealth and Commonwealth law, exclusive of its conflict of law rules, shall govern its interpretation, performance and enforcement. The parties agree that any legal action brought hereunder shall be brought in a court of competent jurisdiction in **[INSERT MUNICIPALITY OF COURT JURISDICTION]**.

XXVI. COMPLIANCE WITH THE LAW

Contractor shall at all times be in compliance with all applicable Federal, Commonwealth, and local laws and regulations.

XXVII. SUBCONTRACTORS

This Agreement may not be subcontracted, in whole or part, without the prior written consent of Client. Approval by Client of any subcontractor shall not relieve Contractor of any liability or responsibility for the proper performance of the work under this Agreement.

The amount of work subcontracted by Contractor shall not aggregate to more than 25 percent of all work hereunder, as measured in terms of cost to Client, without prior written approval of Client. Prior to Client approval of any proposed subcontractor, Contractor shall provide Client with the name of the proposed subcontractor, the tasks to be performed by the proposed subcontractor and the qualifications of the proposed subcontractor to perform the subcontracted work.

Contractor hereby represents, warrants and covenants to Client that all work performed by any subcontractor of Contractor on behalf of Contractor under this Agreement shall be in accordance with the terms and conditions of this Agreement.

XXVIII. CONTRACTOR STATUS

The parties agree that notwithstanding any term or provision of this Agreement, Contractor is and shall remain an independent contractor. As such, nothing herein shall be construed to create a relationship of employer/employee between Client on the one hand, and Contractor or its subcontractors or their respective employees, on the other hand.

XXIX. WORK FOR HIRE

To the extent any data, designs, documents, information, models, processes, plans, procedures or other materials prepared by the Contractor or its subcontractors in performance of services under this Agreement include material subject to copyright protection, such materials have been specially commissioned by Client and they shall be deemed “work for hire” as such term is defined under U.S. copyright law. This provision shall be included in all agreements between Contractor and its subcontractors.

XXX. CONFIDENTIALITY AND PUBLICATION

Contractor represents for it and its subcontractors that any confidential information received from Client or its personnel in the furtherance of this Agreement shall remain strictly confidential and shall not be made available to any individual or organization without the prior written approval of Client. Contractor and its subcontractors must obtain the prior written consent of Client to publish and/or make public any statement, record, report, data or information resulting from the services provided hereunder except Contractor and its subcontractors shall be permitted to reference and describe the Engagement and the work provided for the Engagement in its marketing material, on its website and in future proposals for work. Additionally, prior written consent by Client is not required for information, or any portion thereof, which was within the public domain at the time of its disclosure or is required to be produced in response to subpoena, court order or other legal proceeding and Contractor provides immediate notice to Client of such request. Client reserves the right to reproduce and distribute at its own expense any report, information, data, or materials prepared or assembled by Contractor or its subcontractors pursuant to this Agreement or any portion thereof. The provisions of this paragraph shall survive the termination of this Agreement.

XXXI. INTEREST OF CLIENT

No officer, employee or agent of Client who exercises any functions or responsibilities in connection with this Agreement, shall have any personal interest, direct or indirect, in this Agreement.

XXXII. INTEREST OF CONTRACTOR

By executing this Agreement, Contractor asserts that it has not engaged in any practice or entered into any past or ongoing agreement that would be considered a conflict of interest with this Agreement. Contractor agrees to refrain from entering into all such practices or agreements during the term of this Agreement (and any extensions thereto) that could give rise to a conflict of interest. Furthermore, Contractor asserts that it has fully disclosed to Client any and all practices and/or agreements of whatever nature or duration that could give rise to a conflict of interest and will continue to do so during the term of this Agreement and any extensions thereto.

XXXIII. INTEREST OF MEMBERS OR DELEGATES TO CONGRESS

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or receive any benefit arising therefrom.

XXXIV. PROHIBITED INTEREST

No member, officer, or employee of Client during his or her tenure or for one year thereafter, shall have an interest, direct or indirect, in this Agreement or the proceeds thereof.

XXXV. ACCESS REQUIREMENTS FOR PERSONS WITH DISABILITIES

Contractor agrees to comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. S12101 et seq.; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. S794; 49 U.S.C. S5301(d); and the following federal regulations including any amendments thereto:

A. U.S. Department of Transportation regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R., Part 37; applies to contractors supplying transportation services.

B. U.S. Department of Transportation regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27; applies to all agreements.

C. U.S. Department of Transportation regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 49 C.F.R. Part 38; applies to all purchases of mass transit rolling stock.

D. U.S. Department of Justice regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35; applies to contractors supplying transportation services.

E. U.S. Department of Justice regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. Part 36; applies to all agreements.

F. U.S. General Services Administration regulations, "Accommodations for the Physically Handicapped," 41 C.F.R. Subpart 101-19; applies to all contracts.

G. U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630; applies to all agreements, including compliance with any other implementing requirement that the FTA may issue.

H. U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F; applies to contractors supplying transportation services.

I. FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. Part 609; applies to bidders/proposers supplying transportation services.

XXXVI. EQUAL EMPLOYMENT OPPORTUNITY AND NONDISCRIMINATION

During the performance of work specified herein, Contractor shall adhere to the following Equal Employment Opportunity and non-discrimination requirements:

A. Contractor shall not discriminate against labor from any other State, possession or territory of the United States.

B. Contractor shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, national origin or disability.

C. Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, age, national origin or disability. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices, to be provided by the State, setting forth the provisions of this nondiscrimination clause.

D. Contractor 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 race, color, creed, religion, sex, age, national origin or disability.

E. Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under Section XXXV and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

F. Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations (41 CFR Part 60) and relevant orders of the United States Secretary of Labor.

G. Contractor will furnish all information and reports required by the Commonwealth and/or Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the United States Secretary of Labor, or pursuant thereto, and will permit access to their books, records and accounts by the FTA and the United States Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to Client or the FTA or the Commonwealth as appropriate, and shall set forth what efforts it has made to obtain the information,

H. In the event of Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of the said rules, regulations or orders, the Client may withhold

payments to Contractor under this Agreement until Contractor complies and/or this Agreement may be canceled, terminated or suspended in whole or in part and Contractor may be declared ineligible for further Federal and/or Commonwealth agreements or Federally-assisted construction agreements, and/or such other sanctions may be imposed and remedies invoked.

I. It shall be no defense to a finding of non-compliance with this nondiscrimination clause that Contractor had delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if evidence indicates that Contractor was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.

J. Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons, so that Contractor will be unable to meet its obligations under this non-discrimination clause, Contractor shall then employ and fill vacancies through other nondiscriminatory employment procedures.

K. For itself, its assignees and successors in interest, the Contractor will include the provisions of Section XXXV in every subcontract or purchase order unless exempted by rules, regulations or orders of the United States Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The subcontractor will take such action with respect to any subcontract or purchase order as Client or the FTA may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor

as a result of such direction by the FTA, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

L. Contractor shall comply with the regulations relative to nondiscrimination in federally-assisted programs of the United States Department of Transportation, 49 CFR Part 21, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement. In accordance with Age Discrimination in the Employment Act of 1967, as amended, 29 U.S.C. § 623 and Federal transit law at 49 U.S.C. § 5332, Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

XXXVII. ENVIRONMENTAL REQUIREMENTS

Contractor recognizes that many Federal and Commonwealth laws imposing environmental and resource conservation requirements may apply to this Agreement. Some, but not all, of the major Federal laws that may affect this Agreement include:

A. National Environmental Policy Act of 1969 - Contractor agrees to comply with the applicable requirements of the National Environmental Policy Act of 1969, as amended, 42 U.S.C. Section 4321 et seq. in accordance with Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," 59 Federal Register 7629, February 16, 1994.

B. Air Quality - The Clean Air Act, as amended, 42 U.S.C. Sections 7401 et seq. and scattered sections of 29 U.S.C.

C. Clean Water - Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.

D. Environmental Violations - Contractor agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857(h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11378, the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. Sections 9601 et seq., and United States Environmental Protection Agency (“EPA”) regulations (40 CFR, Part 15) which prohibit the use under nonexempt Federal contracts, grants or loans, of facilities included on the EPA List for Violating Facilities. Contractor shall report violations to Client, the FTA, and the EPA Assistant Administrator for enforcement.

E. Energy Conservation - Contractor will recognize mandatory standards and policies relating to energy efficiency which are contained in the Commonwealth energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. Section 6321 et seq.).

F. Recycled Products - Contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive

Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

Contractor also recognizes that the EPA, United States Federal Highway Administration (“FHA”) and other agencies of the Federal Government have issued and are expected in the future to issue regulations, guidelines, standards, orders, directives, or other requirements that may affect this Agreement. Thus, the Contractor agrees to adhere to, and impose on its subcontractors, any such Federal requirements as the Federal Government may now or in the future promulgate.

XXXVIII. DISADVANTAGED BUSINESS ENTERPRISES

It is the policy of the United States Department of Transportation that Disadvantaged Business Enterprises (DBE), as defined in 49 C.F.R., Part 26, shall have the maximum opportunity to participate in the performance of contracts financed, in whole or in part, with Federal funds under this Agreement.

The Contractor agrees to ensure that DBEs as defined in 49 C.F.R., Part 26, have the maximum opportunity to participate in the performance of contracts and subcontracts financed, in whole or in part, with Federal funds provided under this Agreement. In this regard Contractor shall take all necessary and reasonable steps in accordance with 49 C.F.R., Part 26, to ensure the DBEs have the maximum opportunity to compete for and perform contracts.

The requirements of 49 C.F.R., Part 26 and Client’s U.S. Department of Transportation approved DBE program are incorporated in this Agreement by reference. Failure by the Contractor or its subcontractors to carry out these requirements is a material

breach of the Agreement, which may result in the termination of this Agreement or such other remedy as Client deems appropriate.

In connection with the performance of this Agreement, Contractor will cooperate with Client in meeting its commitments and goals with regard to the maximum utilization of DBE firms and will use maximum efforts to ensure that DBEs shall have the maximum opportunity to participate in the performance of contracts and subcontracts for this Agreement.

XXXIX. LOBBYING (31 U.S.C. 1352; 49 CFR PART 19; 49 CFR PART 20)

Contractors who apply or propose for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying" Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

XL. NON-COLLUSION

Contractor guarantees that the proposal submitted is not a product of collusion with any other proposer and no effort has been made to fix the proposal price of any proposer or to

fix any overhead, profit or cost element of any proposal price. Contractor so certifies through a properly executed Non-Collusion Certification which is attached hereto at **Exhibit G** and made part of this Agreement.

XLI. FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

A. Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and United States Department of Transportation regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to Contractor's actions pertaining to this Engagement. Contractor certifies or affirms the truthfulness and accuracy of any statement Contractor has made, Contractor makes, Contractor may make, or causes to be made, pertaining to this Agreement or the FTA assisted Agreement for which this Agreement work is being performed. In addition to other penalties that may be applicable, Contractor further acknowledges that if Contractor makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on Contractor to the extent the Federal Government deems appropriate.

B. Contractor also acknowledges that if Contractor makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by the FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on Contractor, to the extent the Federal Government deems appropriate.

C. Contractor agrees to include Section V.A and Section V.B in each subcontract financed in whole or in part with Federal assistance provided by the FTA. It is further agreed that the sections shall not be modified, except to identify the subcontractor who will be subject to the provisions.

XLII. SUSPENSION AND DEBARMENT

This Agreement is a covered transaction for purposes of 49 CFR Part 29. As such, Contractor is required to verify that none of the Contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

Contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its proposal, Contractor certifies as follows:

The certification in this clause is a material representation of fact relied upon by Client. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to remedies available to the agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. Contractor agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

XLIII. FEDERAL AND COMMONWEALTH CHANGES

Contractor shall at all times comply with all applicable FTA and PennDOT regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Client and the FTA and the Grant Agreements between Client and PennDOT, as they may be amended or promulgated from time to time during the term of this Agreement. Contractor's failure to so comply shall constitute a material breach of this Agreement.

XLIV. GENDER

Words of gender used in this Agreement may be construed to include any gender and words in the singular may include the plural and words in the plural, the singular.

XLV. MULTIPLE COPIES

This Agreement may be executed in any number of copies and each such copy shall be deemed an original.

XLVI. INTERPRETATIONS

In the event of any question regarding the meaning of any of the provisions of this Agreement, the interpretation placed thereon by Client shall be final and binding on the parties hereto; provided that any such interpretation shall not be unreasonable.

XLVII. HEADINGS

Any heading of the paragraphs in this Agreement is inserted for convenience and reference only and shall be disregarded in construing and/or interpreting the Agreement.

XLVIII. NOTICE

All notices required or permitted hereunder to be given by either party to the other shall be in writing and shall be sent to the parties and addresses below:

To Client: [INSERT AGENCY EMPLOYEE NAME]

[INSERT AGENCY EMPLOYEE TITLE]

[INSERT AGENCY NAME]

Attn: Audit Engagement

[INSERT AGENCY ADDRESS]

[INSERT AGENCY CITY, STATE, ZIP CODE]

To Contractor:: [INSERT CONTRACTOR EMPLOYEE NAME]

[INSERT CONTRACTOR EMPLOYEE TITLE]

[INSERT CONTRACTOR NAME]

[INSERT CONTRACTOR ADDRESS]

[INSERT CONTRACTOR CITY, STATE, ZIP CODE]

XLIX. INCORPORATION OF FTA TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by the United States Department of Transportation, whether or not expressly set forth in the preceding Agreement provisions. All contractual provisions required by the United States Department of Transportation, as set forth in FTA Circular 4220.1F are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement.

Contractor shall not perform any act, fail to perform any act, or refuse to comply with any Client requests which would cause Client to be in violation of FTA terms and conditions.

L. ENTIRE AGREEMENT/MODIFICATION

This Agreement constitutes the entire Agreement between the parties hereto and may not be modified, altered, amended or surrendered without the written consent and approval of the parties.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

In WITNESS WHEREOF, the parties hereto have executed this Agreement intending it to be under seal the day and year first above written.

ATTEST: [INSERT AGENCY NAME]

_____ By: _____
Custodian of the [AGENCY] Seal [INSERT GENERAL MANAGER NAME]
General Manager

WITNESS: [INSERT CONTRACTOR NAME]

_____ By: _____ (Seal)
[INSERT CONTRACTOR'S EMPLOYEE NAME]
[INSERT CONTRACTOR'S EMPLOYEE TITLE]