



**DELAWARE RIVER JOINT
TOLL BRIDGE COMMISSION**

**REQUEST FOR
PROPOSALS**

**INVESTMENT CONSULTING &
MANAGEMENT SERVICES (NON-DISCRETIONARY)**

DATED: MARCH 22, 2018

PROPOSALS DUE: APRIL 19, 2018

Request for Proposals

Investment Consulting and Management Services (Non-Discretionary)

Purpose

The Delaware River Joint Toll Bridge Commission is seeking proposals from qualified professional investment advisory firms to provide non-custody, non-discretionary investment consulting and management services with respect to the Commission's funds and accounts that are governed by its Trust Indenture, as defined and discussed herein.

Such services are to include, but not be limited to: providing market research; recommending investment policies and strategies; projecting future investment returns and cash flow; proposing specific investment transactions and, after Commission approval, placing the buy or sell order; coordinating transactions with TD Bank, the Commission's trustee and custodian (the "Trustee"); and providing periodic investment transaction and performance reporting.

The Commission is seeking to engage a firm with experience in providing such services to governmental entities for a contract term of up to three years, with up to two annual renewal options at the discretion of the Commission.

Background

The Delaware River Joint Toll Bridge Commission (the "Commission") is a body corporate and politic that was created in 1934 as a bi-state agency by compact between the Commonwealth of Pennsylvania and the State of New Jersey, with the consent of the United States Congress. The Commission's membership consists of ten appointed Commissioners, five from each state. The Commission owns and operates a total of twenty bridges across the Delaware River joining New Jersey and Pennsylvania. The imposition of tolls on seven of the bridges generates the revenue necessary to support the operation and maintenance of, and capital improvements to, all of the Commission's bridges and related structures and facilities. Additional information is available on the Commission's web site at www.drjtbc.org.

The Commission finances its major capital projects through bonds, notes or other obligations issued from time to time under a Trust Indenture dated as of January 1, 2003 between the Commission and TD Bank, National Association (successor to Commerce Bank/Pennsylvania, National Association), as Supplemented from time to time (such Trust Indenture and its Supplements, in aggregate, the "Trust Indenture"). The Trust Indenture sets forth the various funds and accounts to be created and maintained by the Commission. The Trust Indenture also sets forth the permitted investments for moneys held in certain funds and accounts (the "Permitted Investments"). The Commission has also approved a policy (the "Investment Policy") further governing the investment of moneys held in these funds and accounts.

The following is a list of the current funds and accounts expected to be covered by the scope of this RFP, along with approximate balances as of February 28, 2018:

<u>ACCOUNT NAME</u>	<u>HELD BY</u>	<u>ACCOUNT BALANCE</u> <u>(\$ million)</u>
Operating	Commission (outside of Trust Indenture)	5.7
Reserve Maintenance	Commission	6.0
Series 2005A Debt Service Reserve	Trustee	3.0
Series 2012 Debt Service Reserve	Trustee	2.9
Series 2015 Debt Service Reserve	Trustee	9.8
Series 2017 Debt Service Reserve	Trustee	30.7
Series 2017 Capitalized Interest	Trustee	7.0
Series 2017 Construction	Trustee	290.1
General Reserve	Commission	227.0

With respect to the above listing, please note the following:

- All of the funds and accounts are governed by the Trust Indenture and investments are limited to the Permitted Investments.
- The usual balance in the Operating Account is approximately 1/12 of the annual budgeted operating expenses.

- The usual balance in the Reserve Maintenance Fund is approximately 1/12 of the annual capital plan.
- The Debt Service Reserve Requirement is Maximum Annual Debt Service; the amounts in the several Debt Service Reserve accounts represent the portions of the Reserve Requirement funded from the respective bond series.
- The Series 2017 Capitalized Interest account will be used to offset a portion of the bond interest payments due July 1, 2018 and January 1, 2019. The account will be depleted and closed following the January 1, 2019 interest payment.
- The Series 2017 bonds were issued on March 1, 2017 to finance a portion of the Scudder Falls Bridge Replacement Project (the “SFB Project”). The initial deposit of bond proceeds to the 2017 Construction account was approximately \$422 million. The Commission expects to contribute approximately \$100 million from the General Reserve Fund to the cost of the SFB Project. The 2017 Construction account is expected to be spent first, while the General Reserve Fund contribution will follow. Under the present estimated SFB Project timeline, the 2017 Construction account would be depleted by mid-2020. The SFB Project is projected to be completed in 2021.
- The General Reserve Fund holds the residual cash flow of the Commission after application of revenues to the payment of operating expenses, debt service, maintenance of Trust Indenture Funds, payment of non-bonded capital costs and other discretionary uses of funds by the Commission, including contributions to the OPEB Trust Fund, which was established by the Commission to meet the costs of its retiree benefits program. The Commission has established a minimum balance requirement for the General Reserve Fund, which is the greater of \$80 million or 15% of the outstanding balance of bonds issued by the Commission. As of February 28, 2018 the minimum balance under this policy is \$107 million.
- Should the Commission issue additional bonds during the term of this engagement, the Commission in its sole discretion may add the related funds and accounts to the scope of this engagement. At present, the Commission has no plans to issue additional bonds.
- The Commission in its sole discretion reserves the right at any time during the term of this engagement to remove any account, or group of accounts, from the scope of this engagement, and further, in its sole discretion may engage another firm to consult and manage such removed accounts or group of accounts.

Scope of Services

The selected firm will be required to perform and provide the following services:

- Provide full-time coverage and management of the Commission's investment portfolio pursuant to the specific stated investment objectives set forth in the Investment Policy.
- As funds become available for investment, proactively identify, research and recommend to Commission staff specific securities for purchase.
- Upon approval, place orders for the purchase or sale of securities, communicate settlement information to Commission staff and assist in coordinating security settlement with the Trustee.
- Serve as a general resource to Commission staff for information and advice regarding fixed income securities, economic conditions, and yield curve analysis.
- Work with Commission staff to develop projections to ensure that the investment strategy is consistent with the Commission's projected cash requirements.
- Provide monthly statements detailing investment activity, earnings, the value of the investment portfolio, a portfolio return, mark to market valuation, and weighted average maturity, accrued interest by investment type, rating of investment by Standards & Poor's, Moody's and/or Fitch Ratings. The selected firm must maintain accurate reports including portfolio composition showing diversity of investments and compliance with the Investment Policy.
- Develop and recommend investment strategies that will seek to enhance portfolio performance under current and future market conditions within the parameters of the investment policy and cash flow needs.
- Proactively identify, research and if appropriate, recommend alternative investment products that may benefit the Commission's investment portfolio.
- Obtain and document competitive prices for securities transactions.
- Provide current market valuation of portfolio holdings upon request.
- Provide quarterly and annual portfolio performance reports.
- Not less than annually, review the Investment Policy and written investment procedures, and make modification recommendations, if appropriate.
- Attend meetings with Commission staff and the Commission upon request.

SUBMISSION REQUIREMENTS

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

Any Proposal made in response to this RFP shall meet all of the following requirements. Failure to do so may result in the proposal being deemed non-responsive and rejected without further consideration. The Commission reserves the right to reject all responses and to select the response deemed to be in the best interest of the Commission, based upon price and all other factors.

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

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

Part 2 – Fee Proposal: You must submit six (6) physical copies of the Fee Proposal along with one electronic copy on either a CD or flash drive.

PLEASE NOTE: the copies of the Fee Proposal must be contained within a separate sealed envelope. The Technical Proposal and the Fee Proposal may be delivered separately OR may be delivered within in the same container (i.e. overnight delivery box or packet) BUT the Fee Proposal must be in a separate sealed envelope and clearly marked as such. As described below, the Fee Proposals will not be opened until the review of the technical proposals is completed.

PROPOSAL CONTENT

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

Technical Proposal:

1. Letter of Transmittal

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

- An acknowledgement that the firm, entity or person submitting the proposal (the “Proposer”) has a full understanding of the work to be done and a statement why the Proposer believes itself to be best qualified to perform under the engagement.

- An acknowledgement that the aggregate proposal (technical and fee) is a firm and irrevocable offer and shall remain valid for a period of not less than 90 days from the date of submittal.
- A statement that the person signing the letter is authorized to bind the Proposer, and that by so signing, Proposer attests that all information submitted with the proposal is true and correct.
- A statement that the firm and all individuals to be assigned to the engagement have and will maintain at all times the necessary regulatory compliance and licensing to enable completion of the full scope of services outlined herein.
- An acknowledgement that any and all relationships, financial or otherwise, that Proposer, or any parent/subsidiary/affiliate thereof, has with the Commission or any member of the Commission, if any, have been so disclosed within the body of the Technical Proposal.
- A statement that the Proposer agrees to all of the applicable terms and conditions of the form of Standard Commission Retainer Agreement and Insurance Requirements, or has specifically identified within the body of the Technical Proposal any such terms or conditions that Proposer objects to, or is requesting modification or alternatives.

2. Body of Technical Proposal to include:

a) Firm Qualifications and Experience

- Provide the name, title and full contact information of the primary person who may be contacted for any reason in connection with this RFP, including requests for additional information or clarifications.
- Provide basic background data about the firm, including: the length of time the firm has been in business and, if different, the length of time it has been providing the services requested in the RFP; location of headquarters and, if different, the location from which the services are to be performed.
- Indicate the firm's ownership, capital structure, and specific details of any affiliated companies or joint ventures and/or affiliations with other financial or investment management firms. Specify the percentage owned by principals.
- Provide an organizational chart that diagrams the interrelationships between the professional staff as well as any parent-subsidiary, affiliate, or joint venture entities.

- Discuss the financial condition of the firm based on its most recently audited financial statements and annual report.
- State the overall size of the firm in terms of personnel and the number and nature of the professional staff to be employed in this engagement, both on a full-time basis and a part-time basis. Please provide information regarding the staff turnover rate for the previous three calendar years.
- Identify and provide the resume of the account executive who will be assigned to coordinate the firm's services to the Commission.
- Provide the names, titles and resumes of all other investment professionals you are proposing to be involved in the management of this engagement and the role each will play in managing the Commission's account.
- Describe any contingent procedures in the event a key investment professional assigned to the account should leave the firm.
- Indicate the number of your public/governmental entity clients in terms of invested assets under management, segmented as follows:
 - i. \$5 million to \$25 million,
 - ii. \$25 million to \$100 million,
 - iii. \$100 million to \$500 million, and
 - iv. \$500 million or more.
- Provide the name, asset size, contact person and telephone number of three existing clients whom we may contact for references. Governmental clients with portfolio size and/or composition similar to the Commission's are preferred.
- Describe the firm's experience with servicing public agency clients, and in particular, for services similar to those described in this RFP. In an appendix, list your governmental clients by name, asset size and services provided, highlighting those clients based in New Jersey and/or Pennsylvania.
- Describe any and all relationships, financial or otherwise, that your firm, or any parent/subsidiary/affiliate thereof, has with the Commission or any member of the Commission.
- Are there any pending or threatened investigations, litigation or pending litigation by the United States Securities and Exchange Commission, or other Federal Agency, or

any other regulatory body or court (local, state or federal) or other state agencies regarding the conduct or business conduct of your firm or its management? Have there been any such investigations or litigation threats thereof within the past three years? If the answer to either or both questions is yes, provide a detailed explanation of each and every pending, threatened or completed investigation and provide an explanation for each and every pending, threatened or completed investigation as to why it will not indirectly or directly affect your role as investment manager.

b) Approach to the Assignment

- Describe in general terms your firm's approach to providing the Scope of Services outlined above. Include a description of the services, management practices and indicators of client satisfaction that distinguish you from your competitors.
- Describe your methods and capabilities in researching and/or recommending specific securities for purchase.
- Describe your methods and capabilities in developing and/or recommending investment policies and guidelines.
- With specific reference to the Commission's accounts (see "Background" section), describe your preferred investment strategy for safely maximizing returns, given today's rising interest rate and increasingly volatile market environment. Describe the differences in strategy, if any, based on the different types of accounts (i.e. construction, debt service reserves, etc.).
- Provide a brief assessment of the present Investment Policy, including suggested changes, if any, that you would likely recommend to the Commission, if selected.
- Provide a detailed description of the your firm's transaction process for soliciting, pricing, and placing buy or sell orders; describe or identify your customary brokerage relationships, including a description of the type and number of brokers typically accessible and utilized by your firm.
- Provide a sample of your firm's monthly investment report or statement, and an indication of how soon following month-end such report or statement can be delivered to the client.
- Describe your procedure for reconciling transactions with the trustee/custodian
- Describe your firm's capabilities for providing customized or ad hoc reports.

c) Non-Discrimination and Diversity

The Commission prohibits discrimination in employment on the basis of race, color, religious creed, national origin, ancestry, gender, sexual orientation, age, Vietnam era veteran status, or disability. The Commission is strongly committed to developing and maintaining a diverse workforce, and highly values the perspectives and varied experiences that are found only in a diverse workforce. The Commission believes that promoting diversity is important to the success of its overall mission.

Accordingly, the Commission requires its consultants/contractors to comply with all applicable nondiscrimination laws and encourages them to promote diversity within their workplace.

Please describe your firm's policies and practices relating to non-discrimination and diversity. This may include a statistical table or analysis.

d) Exceptions

Detail any exceptions that you have to the Standard Commission Retainer Agreement and/or the Insurance Requirements. ***If no objections are set forth within the proposal, then such Proposer, if selected, agrees to be bound by the terms of the Exhibits, as applicable.***

3. Fee Proposal (separate envelope)

The Proposer must submit a detailed fee schedule for the intended term of the contract (up to three initial contract years with up to two annual renewals), identifying the proposed fees by year and the basis for assessing and calculating the fees. Separately identify any indirect fees, charges or costs incurred in providing the required services, for which the Proposer expects compensation.

TIMELINE

Anticipated Schedule:

Issue/Post RFP	March 22, 2018
Inquiry Deadline	April 4, 2018
Inquiry Responses Posted	April 11, 2018
Submission Deadline for Proposals	April 19, 2018

Inquiries

Inquiries concerning this RFP are to be in writing and directed to James Petrino, Chief Financial Officer. Such written inquiries may be delivered a) via US Postal Service or overnight carrier to: Chief Financial Officer, Delaware River Joint Toll Bridge Commission, Administration Building, 110 Wood & Grove Streets, Morrisville, PA 19067; or b) via email to: jpetrino@drjtbc.org. Verbal questions or phone calls regarding this RFP will not be accepted.

To be given consideration, **all inquiries must be received by April 4, 2018**. It is anticipated that all inquiries submitted by the deadline will be posted anonymously along with the Commission's responses on the Commission's web site at www.drjtbc.org on or prior to **April 11, 2018**.

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

Submissions

Proposals must be received **no later than 3:00 PM EDT on April 19, 2018** at the following address:

Delaware River Joint Toll Bridge Commission
110 Wood & Grove Streets
Morrisville, PA 19067
Attn: Chief Financial Officer

The RFP responses must be assembled and delivered as described herein (Fee Proposal in a separate sealed envelope, etc.), and labeled as "RFP Response – Investment Consulting and Management Services."

Oral Presentations

After completion of the review of proposals, the Commission may, in its sole discretion, request any Proposer or Proposers to make an oral presentation to the senior management or staff of the Commission. Such presentations will provide firms with an opportunity to answer any questions the Commission may have on a firm's proposal. If such a presentation is necessary, Proposers will be notified. Failure to be prepared to make an oral presentation may prevent the firms from receiving further consideration.

SELECTION PROCEDURE

1. It is the intention of the Commission, following evaluation of all responsive proposals received, to select the Proposer who in the judgement of the Commission will best satisfy the overall requirements of the RFP. The Commission is not required to select the Proposer quoting the lowest fees. Following selection, final terms of a contract for services will be negotiated and executed with the selected Proposer prior to the start of the engagement. If negotiation of contract terms are unsuccessful or otherwise cannot be completed, the Commission reserves the right to select another Proposer.
2. The Commission will make its selection based upon numerous criteria, including, but not limited to, the Commission's understanding of the proposal and the demonstrated competence, expertise, experience and qualifications of the Proposer. The Technical Proposals will be evaluated on the basis of, among other things, the following criteria:
 - Demonstrated understanding of the Commission's needs and the comprehensiveness, appropriateness and adequacy of the proposed approaches to meet those needs;
 - Demonstrated ability and qualifications to provide the full range of investment consulting and management services as outlined in this RFP;
 - Overall qualifications and technical experience of the firm;
 - Credentials of the proposer's team, the experience of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation;
 - Value and reliability of client references;
 - Overall quality of the proposal; and
 - Competence demonstrated at oral interviews, if requested.
3. Following the evaluation of the Technical Proposals, the Proposers' Fee Proposals will be opened and evaluated. An assessment of the Fee Proposals will then be combined with Technical Proposal review to complete the overall evaluation.

4. Following completion of the evaluations, the Commission will select the Proposer that, in its judgement, would best meet its investment consulting and management needs. A professional services contract will then be negotiated with the selected firm. If a negotiated agreement cannot be reached with the selected Proposer within a reasonable time, negotiations will be terminated and another firm will be selected.
5. In making its selection, the Commission is not required to accept the lowest price and may, at its sole discretion, reject proposals that are not responsive to the requirements stated herein, or may elect to waive some or all irregularities in any proposal or proposals. The waiver or non-waiver of any specific irregularity will not imply or compel similar treatment of any other irregularity.
6. Following selection of a Proposer and completion of the procurement process, the Commission does not intend to provide a de-briefing of any kind to Proposers not selected, and is under no obligation to do so.
7. The Commission shall not be liable for any costs incurred by any Proposer in the preparation of its proposal for the services requested in this RFP.

EXHIBITS

To assist in preparing a proposal, the following documents are attached and incorporated into this RFP:

EXHIBIT A: Permitted Investments (excerpted from the Trust Indenture)

EXHIBIT B: Investment Policy (as currently approved by the Commission)

EXHIBIT C: Standard Commission Retainer Agreement (to be used as a basis for the consultant contract)

EXHIBIT D: Standard Insurance Requirements

EXHIBIT A

"Permitted Investments" -- (to the extent permitted by law)

- (a) Government Obligations;
- (b) obligations issued or guaranteed as to full and timely payment of principal and interest by any agency or Person controlled or supervised by and acting as an instrumentality of the U.S., pursuant to authority granted by the U.S. Congress;
- (c) obligations of the Governmental National Mortgage Association, Rural Development, Federal Financing Bank, Federal Housing Administration, Maritime Administration and Public Housing Authorities, provided that the full and timely payment of the principal and interest on such obligations shall be unconditionally guaranteed by the U.S.;
- (d) obligations of the Federal Intermediate Credit Corporation and of Fannie Mae;
- (e) obligations of the Federal Banks for Cooperation;
- (f) obligations of Federal Land Banks;
- (g) obligations of Federal Home Loan Banks; provided that the obligations described in clauses (c) through (g) above shall constitute Permitted Investments only to the extent that the Rating Agency has assigned a rating to such obligations which is not lower than the highest rating assigned by such Rating Agency to any series of Bonds then Outstanding;
- (h) certificates of deposit of any bank, savings and loan or trust company organized under the laws of the U.S. or any state thereof, including the Trustee or any holder of the Bonds, provided that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by Permitted Investments described in (a), (b), (c), (d), (e), (f) or (g) above having a market value at all times at least equal to the uninsured amount of such deposit;
- (i) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which are rated by a Rating Agency that then maintains a rating on the Bonds in one of their two highest rating categories;

(j) investment agreements (which term, for purposes of this clause, shall not include repurchase agreements) with a Qualified Financial Institution;

(k) repurchase agreements with banks or primary government dealers reporting to the Federal Reserve Bank of New York ("Repurchasers"), including but not limited to the Trustee and any of its affiliates; provided that each such repurchase agreement results in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified Permitted Investments described in (a), (b), (c), (d), (e), (f) or (g) above which are free and clear of any claims by third parties and are segregated in a custodial or trust account held either by the Trustee or by a third party (other than the Repurchaser) as the agent solely of, or in trust solely for the benefit of, the Trustee, provided that Government Obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such Government Obligations or the repurchase price thereof set forth in the applicable repurchase agreement;

(l) bonds or notes issued by any state or municipality which are rated by each Rating Agency that then maintains a rating on the Bonds in one of their two highest rating categories;

(m) commercial paper rated in the highest short-term, note or commercial paper Rating Category by each Rating Agency that then maintains a rating on the Bonds in one of their two highest rating categories;

(n) any auction rate certificates which are rated by each Rating Agency that then maintains a rating on the Bonds in one of their two highest rating categories;

(o) corporate bonds and medium term notes rated at least "AA-" by each Rating Agency that then maintains a rating on the Bonds;

(p) asset-backed securities rated in the highest rating category by each Rating Agency that then maintains a rating on the Bonds;

(q) any other investment approved by the Commission for which confirmation is received from each Rating Agency that then maintains a rating on the Bonds that such investment will not adversely affect such Rating Agency's rating then in effect on such Bonds; or

(r) any other investment approved by the provider of a Credit Facility for which confirmation is received from each Rating Agency that then maintains a rating on the Bonds that such investment will not adversely affect such Rating Agency's rating then in effect on such Bonds.

"Government Obligations" --

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America,

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in clause (a) above issued or held in book-entry form in the name of the Trustee only on the books of the Department of Treasury of the United States of America),

(c) any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA, and

(c) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that cash, obligations described in clause (a), (b), (c) or (d) above, or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or redemption price of and interest on such obligations, and provided further that, at the time of purchase, such obligations are rated by the Rating Service in its highest rating category.

EXHIBIT B

Delaware River Joint Toll Bridge Commission Investment Policy

I. Governing Authority

The authority to manage the Investment Program (the "Program") of the Delaware River Joint Toll Bridge Commission (the "Commission") is granted to the Commission's Chief Financial Officer (hereinafter referred to as investment officer). Responsibility for the operation of the Program is hereby delegated to the investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the Program consistent with this Investment Policy Statement (the "Policy"). The investment officer may further delegate certain responsibilities to an outside Investment Manager, if so designated by the Commission. The Investment Manager must abide by all terms of this Policy. Procedures should include references to: safekeeping, delivery vs. payment, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

II. Scope

This Policy applies to all financial assets of the Commission, including, but not limited to:

- Operating Fund
- General Reserve Fund
- Reserve Maintenance Fund
- Debt Service Reserve Funds
- Debt Service Funds

Funds related to bond proceeds shall also refer to the Commission's 2003 Trust Indenture or any such future bond indenture that may apply (the "Indenture"). Where any variations exist between the Policy and the Indenture, the stricter policy shall prevail.

All sector and issuer limits are based on the amortized cost value of the Commission's aggregate portfolio holdings at purchase date.

1. *Pooling of Funds:* Securities will be allocated to individual funds, with the investments in each fund consistent with the purpose of the fund and all applicable Indenture or other requirements.

III. General Objectives

The primary objectives, in priority of order of investment activities, shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the Program.

Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

- The Commission will minimize credit risk, the risk of loss due to the failure of the security issuer or bank by:
 - Limiting investments to the safest type of securities;
 - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Commission will do business; and
 - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. Interest Rate Risk

- The Commission will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:
 - Investing funds primarily in short- and intermediate-term liquid securities of high credit quality; and

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated. This is accomplished by structuring portfolios so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets (dynamic liquidity)

3. Yield

The investment portfolio shall be designed with the objective of attaining a competitive rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs stated above. Securities shall not be sold prior to maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security swap may be executed if it would improve the quality, yield, or target duration in the portfolio.
3. Securities may be sold to provide needed liquidity.

IV. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the Program, or that could impair their ability to make impartial

decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission.

V. Authorized Financial Dealers and Institutions

All financial institutions and brokers/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statement
- Proof of Financial Industry Regulatory Authority (FINRA) registration
- Proof of state registration
- Completed broker/dealer questionnaire (to be provided by the Commission)
- Certification of having read and understood and agreeing to comply with this Policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

If an external Investment Manager executes transactions on behalf of the Commission, the Commission may rely on that manager's broker approval and selection process.

VI. Safekeeping and Custody

All trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

VII. Internal Controls

The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concepts of reasonable assurance recognize that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Prohibition of physical delivery securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

- Development of a wire transfer agreement with the lead bank and third-party custodian

VIII. Suitable and Authorized Investments

1. *Approved Broker/Dealer and Issuer Lists*

The Commission or its Investment Manager, if any, must maintain and regularly review Broker/Dealer and Approved Issuer lists. The investment portfolio is limited to conducting trades with corporations on the above-referenced Broker/Dealer list and holding only those securities issued by firms on the above-referenced Approved Issuer list.

2. *Investment Types*

The following investments will be permitted by this Policy and are those defined by the applicable Indenture; all limits are based on the Commission's total aggregate portfolio:

- 1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");
 - a. The maximum maturity of any security under this section shall be limited to 10 years at time of purchase.
 - b. The Commission may hold 100% of its portfolio in this sector.
- 2) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; debentures of the Federal Housing Administration, and senior debt obligations of the Federal National Mortgage Association (for purposes of this definition, "Fannie Mae"); participation certificates of the General Services Administration; guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; and Resolution Funding Corporation securities.
 - a. The maximum stated maturity of any security under this section shall be limited to 10 years at time of purchase. However, for federal agency mortgage-backed securities, the maximum maturity shall be defined as the weighted average life ("WAL"). WAL is a convention that estimates the expected weighted amount of time, in years, for the principal amount of an issue to be fully paid. For this sector, the WAL shall be limited to five (5) years, measured at the original purchase date, using conventional analytics provided by Bloomberg Financial Markets or similar sources.
 - b. Investments in a single issuer under this section shall not exceed 25% of the Commission's portfolio.

- c. Investments under this section shall not exceed 75% of the Commission's portfolio.
 - d. Investments under this section that are currently callable (other than mortgage-backed securities) shall not exceed 35% of the Commission's portfolio.
- 3) Direct obligations of any state of the United States of America or any subdivision or agency thereof those unsecured, uninsured and un-guaranteed general obligation debt is rated, at the time of purchase, "Aa3" or better by Moody's Investors Services and "AA-" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "Aa3" or better by Moody's Investors Service and "AA-" or better by Standard & Poor's Corporation;
- a. The maximum stated maturity of any security under this section shall be limited to five (5) years at time of purchase.
 - b. Investments in a single issuer under this section shall not exceed 5% of the Commission's portfolio.
 - c. Investments under this section shall not exceed 25% of the Commission's portfolio.
- 4) Commercial paper rated, at the time of purchase, "P-1" by Moody's Investor's Services and "A-1" or better by Standard & Poor's Corporation;
- a. The maximum stated maturity of any security under this section shall be limited to 270 days at time of purchase.
 - b. Investments in a single issuer under this section shall not exceed 5% of the Commission's portfolio.
 - c. Investments under this section shall not exceed 20% of the Commission's portfolio.
- 5) Federal Funds, unsecured certificates of deposit, time deposit or bankers acceptance of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal options are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's Investors Services and a "Short-Term CD" rating "A-1" or better by Standard & Poor's Corporation.
- a. The maximum stated maturity of any security under this section shall be limited to 365 days at time of purchase.
 - b. Investments in a single issuer under this section shall not exceed 5% of the Commission's portfolio.
 - c. Investments under this section shall not exceed 20% of the Commission's portfolio.

- 6) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 Million, provided such deposits are continuously and fully insured by the Federal Deposit Insurance Corporation;
 - a. The maximum stated maturity of any security under this section shall be limited to five (5) years at time of purchase.
 - b. Investments in a single issuer under this section shall not exceed current FDIC insurance coverage limits.
 - c. Investments under this section shall not exceed 20% of the Commission's portfolio.
- 7) Obligations or notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt ratings, at the time of purchase, of "Aa3" by Moody's and "AA-" by Standard & Poor's.
 - a. The maximum stated maturity of any security under this section shall be limited to five (5) years at time of purchase.
 - b. Investments in a single issuer under this section shall not exceed 5% of the Commission's portfolio.
 - c. Investments under this section shall not exceed 20% of the Commission's portfolio.
- 8) Investments in money-market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation. Before investing in any money market fund, the most recently updated Prospectus must be obtained and reviewed by the Commission. Additionally, the Commission must be presented with holdings reports of said money market fund on at least a monthly basis.
 - a. Investments in a single issuer under this section shall not exceed 25% of the Commission's portfolio.
 - b. Investments under this section shall not exceed 50% of the Commission's portfolio.
- 9) Investment agreements:
 - a. With providers rated at least "AA-" and "Aa3" by S&P and Moody's, respectively, provided that, in the event of a provider downgrade below either AA- or Aa3 by S&P and Moody's, respectively, (i) collateral consisting of U.S. Treasury securities, as listed above, be posted that has a value equal to at least 104% of the principal plus accrued interest or collateral consisting of senior debt obligations of federal agency securities, as listed above, be posted that has a value equal to at least 105% of the principal plus accrued interest, or (ii) the agreement shall terminate;
 - b. Collateralized investment agreements with providers rated at least "A-" and "A3" by S&P and Moody's, respectively, with the same collateral requirements as outlined in (a)(i);
 - c. Forward delivery agreements, the deliveries of which consist entirely of U.S. Treasury and/or federal agency securities, as listed above.

- 10) Repurchase agreements that are collateralized only by direct obligations of the U.S. government, GNMA, Fannie Mae, and FHLB. Repurchase agreements shall only be entered into with primary U.S. government securities dealers, as posted by the Federal Reserve Bank of New York. Additional terms are as follows:
- a) A master repurchase agreement or specific written repurchase agreement governs the transaction;
 - b) Collateral will always be held by an independent third party. Such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has capital of not less than \$500 Million, or (iii) a bank approval in writing for such purpose by Bond Insurer, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee;
 - c) A perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee;
 - d) The Trustee or an independent third party acting solely as agent for the Trustee will value the collateral securities each business day and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation;
 - e) The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%;
 - f) Repurchase agreements shall be limited to a maximum maturity of 90 days;
 - g) Investments in a single repurchase agreement counterparty under this section shall not exceed 15% of the Commission's portfolio;
 - h) Investments under this section shall not exceed 25% of the Commission's portfolio.

IX. Investment Parameters

1. Diversification

The investments shall be diversified by:

- Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- Limiting investment in securities that have higher credit risks;
- Investing in securities with varying maturities

2. Average Maturity Limits

The average maturity of the investments in each fund shall be a function of the anticipated cash requirements in each fund, as discussed with the investment officer and the management of the Commission, and will be adjusted as necessary. In general, the average maturity of the investments by fund shall be as follows, weighted by par value of each fund at time of purchase:

- a) Operating Fund: Less than two years

- b) General Reserve Fund: Investments matched to anticipate capital requirements; less than three years
- c) Reserve Maintenance Fund: Less than two years
- d) Debt Service Reserve Funds: Less than ten years
- e) Debt Service Fund: Investments matched to meet debt service requirements.

X. Reporting

1. Methods

The investment officer shall prepare or have prepared an investment report on a monthly basis. The report will include the following:

- a) Listing of individual securities held at the end of the reporting period.
- b) Listing of investments by maturity date.
- c) Percentage of the total portfolio that each type of investment represents.
- d) Average weighted yield to maturity of portfolio investments.

Additionally, on at least a quarterly basis, the investment officer shall prepare or have prepared an investment report that, in addition to the above requirements, includes a management summary that provides analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the Commission to ascertain whether investment activities during the reporting period have conformed to the Policy. The report should be provided to the investment officer and the Executive Director. The report shall also provide the average weighted yield to maturity of portfolio investments compared to their respective benchmarks.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within the Policy. Where applicable, each individual portfolio's time weighted total return shall be compared to the time-weighted total return of a stated benchmark. In cases where this is not applicable (for example, construction and debt service funds) the portfolio's current yield to maturity at market and yield to maturity at cost should be presented.

3. Marking to Market

Portfolio market values shall be calculated based on terms of 2003 Trust Indenture or any related supplemental indenture, but at least on a monthly basis.

XI. Policy Considerations

1. Exemptions

If the portfolio falls out of compliance with the Policy, the Investment Manager shall – within three business days of said infraction – notify the Commission and present a plan of action, the result of which would bring the portfolio back into compliance.

2. Amendments

The Policy shall be reviewed by the Commission and its Investment Manager, if any, on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

EXHIBIT C

Standard Commission Retainer Agreement

PROJECT NAME

DRJTBC CONTRACT NO. C- _____

This agreement (the "Agreement") effective this ____ day of _____, 20____, by and between the **DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION**, a body corporate and politic, created in December 1934, by compact executed by the Governors of New Jersey and Pennsylvania, duly authorized to do so by their respective legislatures, which compact was approved by Congress on August 30, 1935, hereinafter referred to as "Commission", and _____, a _____, hereinafter referred to as "Consultant".

WITNESSTH:

WHEREAS, the Commission desires to engage Consultant to perform certain consulting services as further defined herein, and Consultant wishes to provide the Commission with such consulting services;

WHEREAS, the Commission has approved the execution and delivery of this Agreement at its _____ meeting; and

WHEREAS, the parties now desire to enter into an agreement with regard to professional services of the Consultant to the Commission as fully set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I – SERVICES

A. Scope of Services; Term.

1. The scope of services to be provided under this Agreement is outlined on Exhibit A attached hereto, which may be amended from time to time by written agreement of the parties (the "Services").
2. In the event a dispute arises concerning the meaning of the scope of services required to be performed under this Agreement, the dispute shall be handled as further described in Article V, Section H-Disputes.
3. The term of this Agreement shall be deemed to have commenced on _____ and shall terminate on _____.
4. In the event the Commission does not take action to terminate this Agreement on or before the approved term date, it shall continue on a month-to-month basis.

B. Staff and Facilities

1. The Consultant agrees that it will at all times employ, maintain and assign to the performance of this Agreement a sufficient number of competent and qualified professional, technical and other personnel adequate and sufficient for the prompt and satisfactory performance of this Agreement.
2. Any person employed in or assigned to the performance of the Services hereunder by the Consultant shall be removed from such Services upon notice from the Commission's Executive Director and/or his/her designee.
3. The Consultant shall not employ the Commission's employees in the performance hereof.
4. The Consultant agrees that it will at all times cooperate and coordinate its Services with the work and requirements of the Commission, its Executive Director and/or his/her designee and all other Commission personnel for the prompt performance of this Agreement.

C. Supervision

1. The Consultant agrees that _____ of the Consultant will, at all times, have personal direction and charge of the Consultant's Services to be performed hereunder and be available for meetings with the Commission's Executive Director and/or his or her designee.
2. The Consultant agrees that the necessary personnel and facilities will be utilized for the performance of this Agreement.
3. Nothing in this Article I.C shall be deemed or construed to revise, modify, diminish or impair the obligations of the Consultant to furnish the Services and to perform as specified in Article I. A.

D. Confidentiality

1. In the performance of the Services for the Commission, the Consultant will receive information and knowledge respecting the confidential details of the business of the Commission. Accordingly, Consultant agrees that Consultant, except as specifically authorized in writing by the Commission, shall not at any time use for Consultant or disclose to any person or entity any such knowledge or information heretofore or hereafter acquired. Consultant further agrees that all memoranda, notes, records, papers, or other documents and all copies thereof relating to the Commission, some of which may be prepared by the Consultant, and all objects associated therewith in any way obtained by Consultant shall be the property of the Commission. This shall include, but is not limited to, documents and objects relating to the Commission, its facilities, personnel or officials. Consultant shall not, except for use in performance of Services to the Commission, copy or duplicate any of the aforementioned documents or objects, nor use any information concerning them except for the Commission's benefit, either during Consultant's performance of Services to the Commission or thereafter.

Consultant agrees that Consultant will deliver all of the aforementioned documents and objects that may be in Consultant's possession to Commission on termination of Consultant's Services for the Commission, or at any other time on Commission's request, together with Consultant's written certification of compliance.

2. Consultant agrees that Consultant will not, except as specifically authorized in writing by the Commission, disclose to others, use for Consultant's own behalf or otherwise appropriate, copy or otherwise reproduce, or make any use of any knowledge or information of or relating to the Commission, its facilities, personnel or officials.

ARTICLE II – AUTHORITY OF EXECUTIVE DIRECTOR AND/OR HIS/HER DESIGNEE AND CONSULTANT

- A. Executive Director and/or his/her designee.** The Consultant agrees that it will faithfully execute and promptly comply with the requirements and direction of the Commission's Executive Director and/or his/her designee.
- B. Consultant.** The Consultant agrees that, in the performance of this Agreement, it is and will, at all times, remain an independent contractor. The Consultant further agrees that it will not bind the Commission, its Executive Director and/or his/her designee or any officers or employees of the Commission except as authorized in writing by the Executive Director and/or his/her designee.
- C. No Employment.** The parties hereto agree that neither the Consultant nor any person in its employ, shall be deemed, construed or become an employee of the Commission and that all instructions and directions given to the Consultant or to any of its employees by the Commission, the Executive Director and/or his/her designee, or employee of the Commission shall be for general guidance of the Consultant only.

ARTICLE III – COMPENSATION OF CONSULTANT

A. Terms of Compensation

1. For, and in consideration of the Services performed by the Consultant under this Agreement, the Commission shall pay the Consultant based upon the rate schedule set forth on Exhibit B attached hereto.
2. If, during any stage of the Services performed under this Agreement, a change is ordered by the Commission which results in additional costs to the Consultant not otherwise specified on Exhibit B, it shall be the Consultant's responsibility to so notify the Commission's Executive Director and/or his/her designee and request approval of same before the Consultant performs the additional services.

- B. Periodic Statements.** Whenever the Consultant is entitled to any payment hereunder, the Consultant shall present to the Commission a verified statement, supported by such original or other records and receipts as the Commission may request, all on forms and in accordance with the payment and audit procedures of the Commission, which statements shall set forth all items paid by the Consultant for which reimbursement may be demanded hereunder. Such statement, when approved by the Commission as to form and items of claim, shall be paid within thirty (30) days of presentation.

ARTICLE IV – SUBCONTRACTS, ASSIGNMENTS AND TRANSFERS

- A. Assignment or Transfer of Agreement.** The Consultant shall not sell, transfer, assign or otherwise dispose of this Agreement or any interest therein to any party, except upon such terms and conditions as the Commission may approve.
- B. Subcontracts.** The Consultant may obtain by subcontract, subject to written approval of the Commission's Executive Director and/or his/her designee, such supplemental professional and non-professional Services or independent consultants as are necessary for the proper performance of this Agreement.

ARTICLE V – LEGAL AND PUBLIC RELATIONS

- A. Legal and Public Assignment or Transfer of Agreement.** In carrying out the provisions of this Agreement or in exercising or claiming to exercise any official power or authority, neither the Commissioners of the Commission nor any of its officers or employees shall have or incur any personal liability nor shall any claim of personal liability be asserted against any of them by the Consultant or its agents or employees.
- B. Loss or Damage to Property of the Commission.** The Consultant shall care for and protect all property of the Commission which comes into the possession or custody of the Consultant, and shall at its own cost and expense, repair or restore any such property which is lost or damaged due to the negligence or default of the Consultant, its agents, servants, and/or employees in the performance of professional and non- professional Services under this Agreement.
- C. Indemnification.** With respect to any Services provided by the Consultant, its agents, servants, employees, subcontractors and subconsultants under this Agreement, the Consultant agrees to the fullest extent permitted by law to indemnify, defend and hold harmless the Commission, the Commonwealth of Pennsylvania, the State of New Jersey and their respective commissioners, employees, agents, assigns and affiliates (collectively, the "Indemnified Parties") from and against, any and all liabilities, losses, claims, damages and expenses, including, but not limited to, costs of investigation and defense, legal fees (e.g., fees of attorneys, paralegals and other legal professionals) and expenses, of whatsoever kind or nature (collectively, "Damages"), to the extent that such Damages are caused by the negligence, gross negligence, willful misconduct, fraud or misrepresentation (such wrongful acts are collectively hereinafter referred to as "Fault") of the Consultant, its agents, servants, employees, subcontractors, subconsultants, anyone directly or indirectly employed by them or anyone for whose acts or omissions they may be legally liable. Such obligations of the Consultant to indemnify, defend and hold harmless the Indemnified

Parties to the extent of the Consultant's Fault (i.e., proportionately), shall apply even if the Damages are caused in part by the Indemnified Parties.

D. Claims

1. The Commission shall as soon as practicable after a claim has been made against it give written notice thereof to the Consultant. If suit is brought against the Commission, the Commission shall forward to the Consultant written notice thereof as soon as practicable after receipt of notice of such suit by the Commission.
2. The Consultant shall have the right to choose counsel in defense of any claims or suits that it defends pursuant to the above indemnification obligation. Commission shall have the right to approve election of such counsel by Consultant with such approval not to be unreasonably withheld. In the event Commission determines that any counsel previously approved is not performing satisfactorily, Commission shall have the right to require that Consultant either choose a replacement counsel acceptable to the Commission or engage additional counsel for the Commission who is acceptable to the Commission.

E. Non-Discrimination. During the performance of this Agreement, the Consultant and his subconsultant agree that it will not discriminate against any employee, applicant for employment, independent consultant, or any other person because of age, race, creed, color, religion, national origin or non-job disability. The Consultant shall take positive creative steps beyond the ordinary toward increasing the potential for minority and women consultants and providers of bona fide services to participate in the free enterprise system. Such positive steps shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. The Consultant shall post in conspicuous places at the Consultant's headquarters, available to employees, agents, applicants for employment and other persons, a notice or equivalent poster setting forth the provisions of this non-discrimination clause.

F. Laws to be Observed. The Consultant shall at all times observe and comply with all applicable federal, state, local and municipal laws, ordinances, rules and regulations in any manner affecting the Services, and shall indemnify and save harmless the Commission and its officers, agents and servants from any violation of any such law, ordinances, ruling, etc., whether such violations be by the Consultant or any subconsultant, or any of their agents or employees.

G. Familiarity with Laws, etc. The Consultant shall familiarize itself with all federal, state and local laws, including the latest amended municipal building codes, rules and regulations which in any manner affect those engaged or employed in the Services, or the materials and equipment used in the Services or in any way affecting the Services, and no plea of misunderstanding will be considered on account of ignorance thereof. If the Consultant shall discover any provision in this Agreement which is contrary to or inconsistent with any law, ordinance, rule or regulation, Consultant shall forthwith report it to the Executive Director in writing.

- H. Disputes.** In the event a dispute arises concerning the meaning of any term used in this Agreement or the Services required to be performed under this Agreement, the dispute shall be decided by the Commission's Executive Director and/or his/her designee or his duly authorized representative within fifteen (15) days after notice thereof in writing which shall include a particular statement on the grounds of the dispute. The Consultant shall have ten (10) days after receipt of the decision in which to file a written appeal thereto. The pendency of a dispute shall not excuse or justify any interruption or delay in the Consultant's performance of this Agreement which shall proceed with due diligence.
- I. Dissemination of Information.** Information included in this Agreement or in any way associated with this Agreement is intended for use only by the Commission and the Consultant and is to remain the property of the Commission. Under no circumstances shall any of said information be published, copied or used in any other fashion or for any other purpose.
- J. News Releases.** No news releases pertaining to this Agreement to which it relates shall be made without Commission approval and then only in coordination with the Commission.

ARTICLE VI – SERVICES AND CHANGES THEREIN

- A. Change in Services.** The Commission or its Executive Director and/or his/her designee may from time to time by written order require additional services to be performed by the Consultant. The scope of such services and the payment arrangement for such services will be upon terms mutually agreed upon by the Commission and Consultant.
- B. Work Product to Become the Property of the Commission.** Unless otherwise agreed to by the parties, all work product of the Consultant, as well as job related records and other data including electronic data, concerning the Services hereunder shall become the property of the Commission and the Commission shall have the right to use all or any part thereof for the purpose, including the construction, supervision or design of any structures or facilities for the sole purpose of the Commission, when and where the Commission may determine, without any claims on the part of the Consultant for additional compensation. All of the foregoing items shall be delivered to the Commission whenever requested by it, and, in any event, upon completion of the Services hereunder.

ARTICLE VII – CONSULTANTS' INSURANCE

The Consultant will be required to provide insurance of the prescribed types and minimum amounts as set forth in Exhibit C attached hereto and made a part thereof.

ARTICLE VIII – RECORDS AND ACCOUNTS, INSPECTION AND AUDIT

- A. Consultant's Records and Accounts.** The Consultant agrees to keep records and books of account showing the actual cost to and payment by it of all items of whatever nature for which reimbursement is authorized under the provisions of this Agreement. The system of accounting and the kind and detail of books and records shall be subject to the approval of the Commission.
- B. Inspection by the Commission.** The Commission or any of its officers, employees or agents, designated for that purpose, shall, at all times, be afforded all necessary facilities, during business hours of all business days, for inspection of the Services of the Consultant and at all such times shall have access to any premises where any Services may be carried on and performed and where any records, books, correspondence, drawings, receipts, vouchers, memorandum and other records and documents of the Consultant, pertaining to this Agreement, may be kept, with full facilities for inspection and copy thereof.

ARTICLE IX – TERMINATION

- A. Default of Consultant.** In the event that this Agreement or any part thereof has been abandoned, is unnecessarily delayed on the part of the Consultant, or is not being performed satisfactorily, or the Consultant is willfully violating any provisions of this Agreement or is performing same in bad faith as determined at the sole discretion of the Commission's Executive Director and/or his/her designee, the Commission's Executive Director and/or his/her designee may declare the Consultant in default and notify him, in writing to discontinue further performance of the Services required under this Agreement.
- B. Termination at Commission's Own Interest**
1. The Agreement may be terminated by the Commission upon fifteen (15) calendar days written notice to the Consultant, whenever the Commission deems it advisable to do so in its own interest. Upon Receipt of such notice from the Commission, the Consultant shall (but in the event of a partial termination, only to the extent of the Services terminated), except as otherwise directed by the Commission:
 - a. Discontinue the Services under this Agreement on the date fixed for termination in the notice of termination.
 - b. Place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of the Services until the date fixed for termination in the notice of termination.
 - c. Cancel (or if so directed by the Commission, transfer to the Commission) as of the date fixed for termination or such earlier date as the Commission may direct, all orders, subcontracts, and agreements relating to the Services and assign to the Commission, in the manner and to the extent directed by the Commission, all of the right, title and interest of the Consultant under the orders, subcontracts and agreements so cancelled or transferred.

- d. Settle and pay, to the extent directed or authorized by the Commission, claims, commitments, liabilities and obligations arising out of or in connection with the performance or termination of the Services or of any subcontract, order or agreement pursuant hereto.
 - e. Transfer and deliver to the Commission, in the manner, to the extent and at times directed by the Commission, the completed and uncompleted work, supplies, material and other property produced as part of or acquired in the performance of the Services.
 - f. Take such action (whether before or after the termination date) as the Consultant may deem necessary or as the Commission may direct for the protection and preservation of property, which is in the possession of the Consultant, and in which the Commission has or may acquire an interest.
- C. Payment Upon Termination in the Interest of the Commission.** In the event that this Agreement is terminated by the Commission under the provisions of Article IX.B.1, the Commission shall pay the Consultant for such Services that the Consultant has performed prior to the termination of this Agreement. In no event shall the Consultant's loss of anticipated profits be relevant in determining the amount of such payments.

ARTICLE X – SUCCESSORS OF THE PARTIES

This Agreement shall bind the Consultant, its heirs, executors, administrators, successors and assigns and shall inure to the benefit of the Commission and its corporate successors.

ARTICLE XI – DEFINITIONS

- A. The term "Executive Director and/or his/her designee", whenever appearing herein, means the Commission's Executive Director and/or his/her designee, and shall be deemed to include the respective successor or successors and any authorized agent, representative or designee of any of them.
- B. The term "Consultant", whenever appearing herein, shall be deemed to include any successor and the principal officers, project manager, resident engineer and any other agent, officer or employee of the Consultant actually in charge of any Services under this Agreement.

ARTICLE XII – MISCELLANEOUS

- A. Notice. All demands, notices, requests and other communications required or permitted to be made hereunder shall be in writing and shall be deemed duly given if hand delivered against a signed receipt therefore, sent by certified mail, return receipt requested, first class postage prepaid, or sent by nationally recognized overnight delivery service, in each case addressed to the party entitled to receive the same at the following address:

If to the Commission: Delaware River Joint Toll Bridge Commission
Executive Offices
2492 River Road
New Hope, PA 18938-9519
Attn: _____

If a legal matter, copies to: Florio, Perrucci, Steinhardt & Fader, L.L.C.
60 West Broad Street, Suite 102
Bethlehem, PA 18018
Attention: Michael Perrucci, Esquire

and

Archer Law
One Liberty Place – 32nd Floor
1650 Market Street
Philadelphia, PA 19103-7393
Attn: Carlton L. Johnson, Partner

If to the Consultant:

Attn: _____

Either party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Article XII.A. Notice shall be deemed to be effective, if personally delivered, when delivered; if mailed, at midnight on the third business day after being sent by certified mail; and if sent by nationally recognized overnight delivery service, on the next business day following delivery to such delivery service.

- B. Amendments and Waivers. Any provision of this Agreement may be amended and the observance of any provision of this Agreement may be waived only with the written consent of the party against whom such amendment or waiver is sought to be enforced.
- C. Forum Selection/Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction of the State of New Jersey or the Commonwealth of Pennsylvania, as the Commission so desires, without application of conflict of law provisions applicable herein. The parties agree that the state courts located in any state court of the State of New Jersey or the Commonwealth of Pennsylvania, and the United States for the District of New Jersey or the United States District Court for the Eastern District of Pennsylvania, as the Commission so desires, shall have sole and exclusive

jurisdiction and venue over any dispute arising out of or in connection with this Agreement, and the parties hereby submit themselves to the jurisdiction of such courts.

- D. Entire Agreement. This Agreement, including any Exhibits attached hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed under their hands and seals.

DELAWARE RIVER JOINT TOLL BRIDGE COMMISSION:

ATTEST:

Assistant Secretary

Executive Director

Print

Print

CONSULTANT

ATTEST:

Signature

Title

Signature

Title

EXHIBIT A

SCOPE OF SERVICES

1. Services to be Provided by Consultant
2. Assistance of Commission
3. Investment Procedures

EXHIBIT B
FEE SCHEDULE

EXHIBIT C
REQUIRED INSURANCE

EXHIBIT D

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

NOTE: In special circumstances, based on the scope of services, if it is determined that higher limits are required, those higher limits should be included in these insurance requirements.

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

Insurance:

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

Notwithstanding anything herein to the contrary, if any part of the work under this Contract is to be performed by a sub-consultant and/or agent of the Consultant, such Consultant shall be responsible for each sub-consultant and/or agent maintaining insurance or, in the alternative, maintaining insurance on behalf of each sub-consultant and/or agent, as specified in, and in accordance with, the paragraphs below. The Contract that the Commission is entering into is solely with Consultant, and Consultant shall be solely responsible for all acts or failures to act of each of its sub-consultants and/or agents as if the actions or failures to act are the actions or failures to act of the Consultant. Consultant expressly acknowledges and agrees that the Commission's willingness to enter into the Contract is premised on Consultant taking responsibility for, and indemnifying, defending and holding harmless the Commission from and against, the acts and failures to act of each of their respective sub-consultants and/or agents. Nothing herein shall otherwise limit or alter Consultant's obligation (if any) to seek prior approval of sub-consultants and/or agents from the Commission, as such requirement may be set forth in the Contract.

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

Bodily Injury by Accident:	\$100,000 each accident
Bodily Injury by Disease:	\$100,000 each employee

- Bodily Injury by Disease: \$500,000 policy limit
 - c) Waiver of Right to Recover from Others Endorsement (WC 00 0313) where permitted by state law (*PA only*).
 - d) U.S. Longshoremen's and Harbor Workers' and Maritime Coverages, where applicable.
 - 2. Commercial General Liability: (including Premises - Operations, Independent Contractors, Products/Completed Operations, Broad Form Property Damage, Contractual Liability (including Liability for Employee Injury assumed under a Contract), Personal Injury, and Explosion, Collapse and Underground Coverages).
 - a) Occurrence Form with the following limits:
 - (1) General Aggregate \$2,000,000
 - (2) Products/Completed Operations Aggregate: \$2,000,000
 - (3) Each Occurrence: \$1,000,000
 - (4) Personal and Advertising Injury: \$1,000,000
 - b) No Professional Exclusion (if exclusion exists, must comply with Professional Liability Coverage Requirement, as set forth in paragraph 6 below).
 - c) No Insured vs. Insured or "Cross Suits" Exclusion on the policy.
 - 3. Automobile Liability including Physical Damage:

Coverage to include:

 - a) Per Accident Combined Single Limit \$1,000,000
 - b) All Owned, Hired and Non-Owned Vehicles
 - c) Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract),
 - d) Physical Damage Coverage must be included or self-insured as the Commission is not responsible for any property damage to the Consultant's vehicles.
 - 4. Commercial Excess/Umbrella Liability:
 - a) Occurrence Limit: \$2,000,000
 - b) Aggregate Limit (where applicable): \$2,000,000
 - c) Policy to apply excess of the Commercial General Liability, Commercial Automobile Liability and Employers Liability Coverages.
 - d) No Insured vs. Insured or "Cross Suits" Exclusion on the policy.

5. Property of Consultant:

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

6. Professional Liability Coverage:

The following minimum limit of insurance shall be required:

\$ _____ Per Occurrence/Per Claim

NOTE: Only ONE Limit of Insurance will be in the insurance requirements. The limit requirements below are examples only. The Chief Administrative Officer must approve the limit.

- a) Investment Consultant - \$3,000,000 Per Occurrence/Per Claim (maximum Self Insured Retention - \$100,000)
- b) Insurance Consultant and Insurance Broker - \$5,000,000 Per Occurrence/Per Claim (maximum Self Insured Retention - \$250,000)
- c) Auditor - \$5,000,000 Per Occurrence/Per Claim (maximum Self Insured Retention - \$250,000)
- d) Legal - - \$5,000,000 Per Occurrence/Per Claim (maximum Self Insured Retention - \$250,000)
- e) All other Professionals under retainer agreements - \$1,000,000 Per Occurrence/Per Claim (maximum Self Insured Retention - \$50,000)

Deductibles and Self Insured Retentions:

All deductibles and self-insured retentions are the sole responsibility of the Consultant. All deductibles and self-insured retentions must be shown on the Certificate of Insurance. In addition, all self-insured retentions shall not exceed \$50,000 without the prior written approval of the Commission; provided, however, a Consultant's self-insured retention amount on its Professional Liability Insurance policy may exceed \$50,000 to the extent that a higher self-insured retention amount is expressly set forth in paragraph 6 of these insurance requirements.

Financial Rating of Insurance Companies:

The Financial Rating of all Insurance Companies must meet the minimum A.M. Best Ratings of A-(Excellent); VII or better.

The Consultant must notify the Commission of any change in the financial rating of its insurance carriers.

Primary Additional Insureds:

The Certificate of Insurance is to name the Commission, the Commonwealth of Pennsylvania and the State of New Jersey as ADDITIONAL INSURED(S) on the General Liability, Automobile Liability and Excess/Umbrella Liability coverages.

The Certificate of Insurance must confirm that, at a minimum, the Consultant's General Liability policy is endorsed with either ISO Form #CG 2026 11 85, or both ISO Form #CG 20 10 10 01 and ISO Form #CG 20 37 10 01, or equivalent manuscript endorsement. The Consultant **must** attached a copy of its additional insured endorsement(s) to its Certificate of Insurance.

The Certificate is also to indicate that the Consultant's policies are **primary** and non contributory. The coverage offered to the Additional Insureds on the Consultant's liability policies (including, without limitation, General Liability, Auto Liability and Excess/Umbrella Liability and except Professional Liability) shall be **primary** and non contributory coverage to any other coverage maintained by the Additional Insureds and shall not permit or require such other coverage to contribute to the payment of any loss.

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

30 Days Notice of Cancellation, Non-Renewal and Material Change:

Consultant shall provide the Commission at least thirty (30) days' prior written notice in the event of cancellation, non renewal, modification, or material change to the policies by Certified Mail - Return Receipt Requested.

Waiver of Rights of Recovery and Waiver of Rights of Subrogation:

The Certificate of Insurance must evidence a Waiver of Recovery and Waiver of Subrogation in favor of the Commission and all Additional Insureds where applicable on all policies including Workers' Compensation and Employers Liability:

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

Claims Made Policy Forms:

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

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

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

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

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

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

Certificate of Insurance:

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

Prior to the commencement of work and/or the Commission making any payment under the Contract, the Consultant shall file Certificates of Insurance with the Commission that shall be subject to the Commission's approval of adequacy of protection and the satisfactory character of the insurer. The Commission has the right to request copies of any and all policies and endorsements. The Certificates of Insurance should be mailed to the Commission within five (5) days of receipt of Notice of Award or receipt of these insurance requirements, as applicable, to the attention of the Chief Administrative Officer, at 2492 River Road, New Hope, Pennsylvania 18938-9519, regardless of when work commences. A project description and job number must be shown on all Certificates of Insurance. The Consultant's obligation to provide the insurance set forth herein shall not be waived by any failure to provide a Certificate of Insurance, the Consultant's acceptance of a Certificate of Insurance showing coverage varying from these requirements or by the Consultant's direction to commence work.

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

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

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

Settlement of Insurance Claims:

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