



June 12, 2026

Hello:

Enclosed please find attached Addendum No. One (1) for SEPTA RFP No. 26-00036-ACAC, Actuarial Services.

Addendum No. 1 must be acknowledged by signing the Addendum Acknowledgement Form and submitting it with your Technical Proposal.

The due date for the submission of Proposals has been changed from Wednesday, June 17, 2026, at 3:00 PM to Wednesday, June 24, 2026 at 3:00 PM.

This Addendum provides answers to some of the questions received. The responses to the remaining questions will be provided under a separate Addendum.

Any inquiries regarding this Addendum must be directed to Carolyn Cotton of the Procurement and Supply Chain Management Department at (215) 580-7599 or cCotton@SEPTA.org.

Thank you for your interest in SEPTA.

Sincerely,

Carolyn Cotton

Carolyn Cotton
Senior Contract Administrator
Procurement & Supply Chain Management

SEPTA's RFP No. 26-00036-ACAC Actuarial Services

This addendum to the Contract Documents is hereby part of the same and is incorporated in full as part of the Project. Proposer shall acknowledge Addendum No. 1 by completing the lines below, and returning this Addendum Acknowledgement Form with your Technical Proposal.

FIRM NAME (typed or printed) _____

AUTHORIZED SIGNATURE _____

TITLE _____

NAME (typed or printed) _____

DATE _____

This Addendum includes:

A. General

The due date for the submission of Proposals has been changed from Wednesday, June 17, 2026, at 3:00 PM to Wednesday, June 24, 2026 at 3:00 PM.

B. Questions and Answers (83)

Q1: There was quite a bit of discussion around the web based administrative tool. As I understood, the system in place is proprietary to the current actuaries and it is used exclusively internally by SEPTA staff. There was discussion around a system for participant use as well. This appears in the "as-needed" section of services. Can you elaborate on the timing needs for each use case? When do you anticipate needing a web-based tool for administrative needs vs. for direct participant interaction?

A1: As of now, there is no timeframe.

Q2: Can you split out information on the plans for which services are requested, including the asset size, participant counts, benefit structures, and regulatory structures? Ideally, valuation reports for each plan will be provided. This will assist with understanding the size and complexity of the Scope of Work and therefore pricing.

A2: Asset and counts split across the five plans below:

Asset	1,015,162,589	73,405,246	987,779,843	36,215,886	1,012,561,891
Count Act	2,098	185	4,599	207	529
Count TV	326	48	599	42	101
Count In-Pay	2,477	134	4,043	89	338
Structure	Service * Tiered Accrual Rate * Final Average Rate of Pay	Percentage of FAE plus flat dollar for one additional YOS	Tiered Flat Dollar * years of service		

Q3: How has the current actuary historically provided advice on assumption setting and contribution projections? How is the board involved in these decisions?

A3: The Scope of Work includes periodic review of assumptions and contribution projections. A committee of the board reviews all assumptions which are then taken to the board for a vote.

Q4: Please provide the most recently completed actuarial reports associated with this opportunity.

A4: This information is not pertinent to submitting a Proposal.

Q5: Please also provide the most recently completed management summary associated with this opportunity.

A5: This information is not pertinent to submitting a Proposal.

Q6: What has been the frequency of on-site visits by the prior actuary over the past three years?

A6: Consultants about twice per year. Analysts are approximately 8-10 time per year.

Q7: Is there currently a web/cloud-based pension calculation program and/or a web/cloud-based tool for the purposes of reviewing projected decrements from the active population based on Plan valuation assumptions used by the SEPTA staff?

A7: Yes.

Q8: Please provide the current fees with the incumbent provider, if available.

A8: This information is not pertinent to submitting a Proposal.

Q9: How long has the incumbent provided these services?

A9: This information is not pertinent to submitting a Proposal.

Q10: Are there any concerns with the current provider, or service areas that you would like the prospective new provider to focus and improve upon?

A10: This information is not pertinent to submitting a Proposal.

Q11: Should the platform replace existing functionality of the old system?

A11: Yes.

Q12: Are real-time calculations required?

A12: Yes.

Q13: Should estimates report:

Q13a: Early Retirement

Q13b: Normal Retirement

Q13c: Late Retirement

Q13d: Lump Sums

Q13e: Survivor Options – What are they?

A13a: Yes.

A13b: Yes.

A13c: Yes.

A13d: Yes.

A13e: Yes. 50%/75%/100% J&S; 10 year C&L; 5 year C&L.

Q14: Is there an existing retirement packet generation process?

A14: Yes. Included in the scope for portal.

Q15: Are templates already defined?

A15: Yes. Included in the scope for portal.

Q16: Are there dynamically generated PDF's?

A16: No.

Q17: Are document archival requirements defined?

A17: Calculations, correspondence, forms, etc. generated by the calculation program to be saved as needed for an indefinite time.

Q18: Is integration with document management systems required?

A18: No.

Q19: The Scope of Service notes that the awardee must have an office located within a one-hour commute of SEPTA's headquarters. Our lead OPEB actuary is a fully remote employee located in Philadelphia suburb and we will have a lead pension actuary that is located within a ½ day's commute. Both actuaries will be available for face-to-face meetings or collaborations as needed. We would not include travel time as billable time. Is this acceptable satisfaction of the office location requirement?

A19: Yes.

Q20: The scope of General Actuarial Consulting Services includes many "as-needed" services, please confirm that the Price Proposals should only include the fees related to: 1) annual valuation and financial disclosure reports along with related consulting, communications, and meetings; 2) costs related to providing and maintaining an on-line plan administration tool; and all other services would be billed on an ad-hoc basis by providing a

binding fee quote in advance of the commencement of those services.

A20: Confirmed.

Q21: Please confirm that the GASB 75 report and related valuation for SEPTA's OPEB plan should be included in the Fixed Valuation Report Pricing.

A21: Confirmed.

Q22: Please provide copies of the most recent valuation and financial disclosure reports that should be included in the Fixed Valuation Report Pricing.

A22: This information is not pertinent to submitting a Proposal.

Q23: Item #13 under General Actuarial Consulting Services notes that the employee data for plan administration tool is to be updated biannually. It was mentioned at the pre-proposal meeting that the data used is currently updated on a payroll-period basis. Please confirm that the plan administration tool should facilitate payroll-period data updates.

A23: Item 13 refers to "web/cloud-based tool for use by SEPTA staff for the purposes of reviewing projected decrements" and not the admin tool. Data updates to the admin tool will be weekly .

Q24: Please provide samples of the output generated by the current plan administration tool that SEPTA would like to be included in the proposed plan administration tool.

A24: This information is not pertinent to submitting a Proposal.

Q25: If available, please provide the information from the Price Proposals for the prior RFP related to Actuarial Services.

A25: This information is not pertinent to submitting a Proposal.

Q26: Intentionally Left Blank

A26: Intentionally Left Blank

Q27: Item 13 under General Actuarial Consulting Services states: "Develop and maintain a web/cloud-based tool for use by SEPTA staff to review projected decrements from the active population based on Plan valuation assumptions. Employee data will be updated biannually." Could you please provide additional detail regarding how SEPTA staff will use these projections, the projection period contemplated, and the specific decrements to be modeled? Also, does SEPTA currently use a tool for this purpose and, if so, what improvements would SEPTA like to see in that tool?

A27: Tool used for workforce planning projecting Retirements, Terminations, Disabilities and Deaths for 10 years.

Q28: Can you provide a copy of the most recent actuarial valuation reports for both pension and OPEB including those reports required under GASB 67/68 and 74/75?

A28: This information is not pertinent to submitting a Proposal.

Q29: What aspects of the current actuarial service relationship are working well? What improvements would SEPTA like to see from the selected actuary?

A29: This information is not pertinent to submitting a Proposal.

Q30: Have there been any performance issues, service concerns and/or limitations with the current actuary? If yes, please provide details.

A30: This information is not pertinent to submitting a Proposal.

Q31: Beyond actuarial valuation services, what role does SEPTA expect the actuary to play as a strategic advisor?

A31: Please see the Evaluation Criteria and the Scope of Work in the RFP for Proposer expectations.

Q32: How does SEPTA define success for this engagement?

A32: Per the Evaluation Criteria and Scope of Work.

Q33: What strategic retirement, funding, or OPEB challenges does SEPTA expect the selected actuary to help address during the contract term?

A33: Plan design changes as needed and typically centered around collective bargaining.

Q34: Are there specific areas where SEPTA seeks more proactive guidance?

A34: Please see the Evaluation Criteria and the Scope of Work in the RFP for Proposer expectations.

Q35: General Actuarial: What are the main reasons you are going out to bid at this time?

A35: The current contract is expiring.

Q36: General Actuarial: Are you having any issues with your current provider?

A36: This information is not pertinent to submitting a Proposal.

Q37: General Actuarial: What were the fees charged by the current provider?

A37: This information is not pertinent to submitting a Proposal.

Q38: General Actuarial: Could you please provide a copy of the most recent actuarial valuation and GASB disclosures?

A38: This information is not pertinent to submitting a Proposal.

Q39: General Administration: Please provide plan summaries and participant counts (Active, Terminated Vested, Retirees) for each of the five SEPTA defined benefit plans.

A39: See response to Question #2.

Q40: General Administration: Who currently serves as Trustee for the plans?

A40: BNY Mellon Bank.

Q41: General Administration: Is electronic access available for all historical data required for pension administration? How would you assess overall data quality?

A41: Yes.

Q42: General Administration: Are benefits for terminated vested participants pre-calculated and relied upon, or is full recalculation required?

A42: Relied on when available. Full recalculation needed for minority of vested commencements.

Q43: General Administration: Is there a requirement or opportunity to integrate with the SEPTA payroll system for more frequent or automated data updates?

A43: Currently, only weekly updates are possible.

Q44: Please clarify expectations for onsite support, including frequency, typical duration, and whether support is intended for staff collaboration, participant interaction, or both.

A44: Onsite support typically does not exceed an average of once per month for staff collaboration.

Q45: Pension Calculation Tool - Please clarify expectations for onsite support, including frequency, typical duration, and whether support is intended for staff collaboration, participant interaction, or both.

A45: The tool is intended to be used by staff and awardee remotely.

Q46: Can you please supply a copy of your experience study, and plan documents outlining benefit formulas.

A46: This information is not pertinent to submitting a Proposal.

Q47: Could you please provide us with the most recent actuarial funding and GASB valuation reports for each Pension and Other Post Employee Benefits Plans covered under the Scope of Services.

A47: This information is not pertinent to submitting a Proposal.

Q48: General Actuarial Consulting Services: Line 12: Is the intention for the web/cloud-based pension calculation program to be accessed and used by all participants, or just SEPTA staff?

A48: Currently staff and the awardee only.

Q49: For the Price Proposal, what specific services should be included in the Software Maintenance for Computerized Network System?

A49: Completion of Pension calculations (Estimates, Retirement, Survivor, Terminated Vested, Annual Statements, Refund of Employee Contributions, Calculation of Pensionable Earnings), correspondence associated with noted calculations, and SEPTA Retirement Forms.

Q50: Our understanding is that General Actuarial Consulting Services do not need to be included in our Fixed Valuation Reports Pricing. Please confirm.

A50: Confirmed. Ad-Hoc work should not be included in the pricing of fixed fee work. Please make specific note if hourly rates for a role doing ad-hoc work would differ from hourly rates for fixed fee work.

Q51: Can you please provide the current Fixed Valuation Reports Pricing that was agreed under the current contract for the Annual Pension Valuation Services.

A51: This information is not pertinent to submitting a Proposal.

Q52: Revise Section 13 as follows:

All data, notes and other works developed in the performance of the Contract for SEPTA (collectively, the "Deliverables"), shall become the property of SEPTA and may be used on any other Project without additional compensation to Contractor/Consultant; Contractor/Consultant agrees not to assert or authorize others to assert any rights nor establish any claim under the design patent or copyright laws, except with respect to Contractor/Consultant's Proprietary Information. Contractor/Consultant, for a period of three years after completion of the Project, agrees to furnish all retained works at the request of SEPTA's Project Representative. Unless otherwise provided in the Contract, Contractor/Consultant shall have the right to retain copies of all works beyond such period.

To the extent Contractor/Consultant's work or Deliverables contain Contractor/Consultant's Proprietary Information, it is prepared solely for the use and benefit of SEPTA in accordance with its statutory and regulatory requirements. Contractor/Consultant recognizes that materials it delivers to SEPTA may be public records subject to disclosure to third parties, however, Contractor/Consultant does not intend to benefit and assumes no duty or liability to any third parties who receive Contractor/Consultant's work and may include disclaimer language on its work product so stating.

SEPTA agrees not to remove any such disclaimer language from Contractor/Consultant's work containing Contractor/Consultant's Proprietary Information. To the extent that Contractor/Consultant's work or Deliverable contain Contractor/Consultant's Proprietary Information and is not subject to disclosure under applicable public records laws, SEPTA agrees that it shall not disclose such Contractor/Consultant's work product to third parties without Contractor/Consultant's prior written consent; provided, however, that SEPTA may distribute Contractor/Consultant's work containing Contractor/Consultant's Proprietary Information to (i) its professional service providers who are subject to a duty of confidentiality and who agree to not use such Contractor/Consultant's work product for any purpose other than to provide services to SEPTA, or (ii) any applicable regulatory or governmental agency, as required.

A52: Denied.**Q53: Revise the first paragraph of Section 23 to read as follows:**

Indemnification. In addition to all other obligations of Indemnification specified herein, Contractor/Consultant agrees to release and be liable for and to defend, indemnify and save harmless SEPTA, its Board members, officers, agents, servants, workers, employees, subsidizers and indemnities, the Pennsylvania Department of Transportation, the City of Philadelphia and any and all government funding agencies providing funds or services in connection with this Project (hereinafter collectively referred to as "SEPTA"), from and against any and all loss, cost, damage, liability and expense, including consequential damages, reasonable counsel fees, arising out of any claim, suit or action at law, in equity, or otherwise, of any kind or nature whatsoever, to the extent resulting from Contractor/Consultant's negligence or willful misconduct, arising out of the performance of the work by reason of any accident, loss or damage of property, including the work site, property of SEPTA and Contractor/Consultant, or injury, including death, to any person or persons, including employees of SEPTA, Contractor/Consultant, which may be sustained either during the term of the Contract, or upon or after completion of the Project, whether brought directly by these persons or by anyone claiming under or through them including heirs, dependents and estates.

A53: Accepted.**Q54: Revise Section 28 to include:**

Each party hereby agrees to waive its right to a trial by jury in any proceeding related to or arising from the Contract, the Project or the relationship between the parties.

A54: Accepted.**Q55: Revise to Remove Section 28 – Warranties****A55: Denied.****Q56: Revise to Remove Section 41 – Delivery****A56: Denied.**

Q57: Revise to Remove Section 42 – Inspection Prior to the Shipment

A57: Accepted.

Q58: Revise to Remove Section 43 – Seat Belt Use

A58: Denied.

Q59: Revise to Remove Section 44 – Distracted Driving, Including Text Messaging While Driving.

A59: Denied.

Q60: Revise to Remove Section 45 Buy America Buy American

A60: Denied.

Q61: Revise to Remove Section 47 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.

A61: Denied.

Q62: Data Available to Contractor/Consultant All SEPTA maintained information, reasonably available and necessary for carrying out the services required to be performed under the Contract (“SEPTA Information”), shall be furnished to Contractor/Consultant, in usable format. Contractor/Consultant will have the right to reasonably rely on the accuracy and completeness of SEPTA Information and will have no responsibility for independently verifying or checking SEPTA Information for accuracy or completeness. SEPTA will notify Contractor/Consultant promptly upon gaining knowledge of any material change to SEPTA Information. SEPTA acknowledges and agrees that Contractor/Consultant shall have no liability for errors resulting from latent defects in SEPTA Information or SEPTA’s failure to notify Contractor/Consultant of changes to SEPTA Information. Contractor/Consultant shall familiarize itself with SEPTA operations and with the Project to the extent necessary to furnish the services required under the Contract. SEPTA Information is and will remain the sole and exclusive property of SEPTA. In addition to the Services, Contractor/Consultant is authorized to use SEPTA Information for internal purposes and may aggregate SEPTA Information with other data collected by Contractor/Consultant and distribute such data, or analysis of such data, to third parties, provided such distributed data does not identify SEPTA, any of SEPTA’s employees and/or any participant or beneficiary under an employee benefit plan sponsored by SEPTA. For the avoidance of doubt, Contractor/Consultant will not sell or otherwise receive remuneration for SEPTA Information or materials derived from SEPTA Information.

A62: Denied.

Q63: ~~Data to Become Property of SEPTA~~ Ownership of Deliverables SEPTA acknowledges that, in providing the Services, Contractor/Consultant will distribute or make available certain proprietary materials (“Contractor/Consultant’s Proprietary Information”), including, but not limited to, publications, software, know-how, techniques, methodologies and report formats. Except to the extent that they are or incorporate Contractor/Consultant’s Proprietary Information, all documents, data, and other tangible materials authored or prepared and delivered by Contractor/Consultant to SEPTA under the terms of this Agreement (collectively, the “Deliverables”), are the sole and exclusive property of SEPTA, once paid for by SEPTA. To the extent that Contractor/Consultant’s Proprietary Information is incorporated into such Deliverables, SEPTA will have a perpetual, fully paid, non-exclusive, non-transferable and nonsublicensable right to use, copy, and modify Contractor/Consultant’s Proprietary Information as part of the Deliverables internally and for their intended purpose. Contractor/Consultant will not have any responsibility or liability for use of any Deliverable in any manner other than for the intended purpose ~~All data, notes and other works developed in the performance of~~

~~the Contract shall become the sole property of SEPTA and may be used on any other Project without additional compensation to Contractor/Consultant. Contractor/Consultant agrees not to assert or authorize others to assert any rights nor establish any claim under the design patent or copyright laws.~~ Contractor/Consultant, for a period of three years after completion of the Project, agrees to furnish ~~all retained works~~ copies of any Deliverables at the request of SEPTA's Project Representative. Unless otherwise provided in the Contract, Contractor/Consultant shall have the right to retain copies of all works beyond such period.

A63: Denied.

Q64: Interest of Contractor/Consultant Contractor/Consultant agrees, for itself and its employees involved in this Project, that it has no interest and shall not acquire any interest, direct or indirect, including any business interest or other pecuniary or beneficial interest which it knows or reasonably should know would conflict in any way whatsoever with performance of services in connection with the Project. In addition, Contractor/Consultant is hereby referred to the provisions of Paragraph 6 "Personnel To Be Used in Providing Services," of the Contract.

A64: Accepted.

Q65: Assignment of Rights, Delegation of Duties Restricted Contractor/Consultant shall not assign any rights arising under the Contract without the prior written consent of SEPTA. Contractor/Consultant shall not delegate, without the prior written consent of SEPTA, any duties in performance of services under the Contract. Notwithstanding the foregoing, Contractor/Consultant may assign its rights or delegate performance to one of its affiliates that is wholly-owned by the same parent company and operating under the same trade name; provided that there is no change in primary personnel performing services or to the ownership structure of its parent company.

A65: Denied.

Q66: Indemnification In addition to all other obligations of Indemnification specified herein, Contractor/Consultant agrees to release and be liable for and to defend, indemnify and save harmless SEPTA, its Board members, officers, agents, servants, workers, employees, subsidizers and indemnities, the Pennsylvania Department of Transportation, the City of Philadelphia and any and all government funding agencies providing funds or services in connection with this Project (hereinafter collectively referred to as "SEPTA"), from and against any and all loss, cost, damage, liability and expense, including ~~consequential damages~~ reasonable counsel fees, whether or not arising out of any claim, suit or action at law, in equity, or otherwise of any kind or nature whatsoever, including negligence, arising out of to the extent resulting from the negligence, willful misconduct or fraud in the performance of the work by reason of any accident, loss or damage of property, including the work site, property of SEPTA and Contractor/Consultant, or injury, including death, to any person or persons, including employees of SEPTA, Contractor/Consultant, which may be sustained either during the term of the Contract, or upon or after completion of the Project, whether brought directly by these persons or by anyone claiming under or through them including heirs, dependents and estates. Contractor/Consultant also agrees for itself and on behalf of its agents, servants, subconsultants/ subcontractors, materialmen, and employees to defend, indemnify and hold harmless SEPTA from and against any and all claims of any kind or nature whatsoever regarding subconsultants/subcontractors and materialmen and agrees to assume the defense of SEPTA to any such suit at its cost and expense. The Contractor/Consultant further assumes the risk of loss and damage to materials, machinery, and equipment to be always incorporated in the Work prior to delivery to the Project site or while in the possession or under the control of the Contractor/Consultant. Contractor/Consultant, for itself and its employees, Board members, officers, agents, servants, workers, contractors/consultants, subconsultants/subcontractors, licensees and invitees , or any other person working on Contractor/Consultant's behalf, hereby releases and

agrees to be liable for and to defend, indemnify and save harmless SEPTA, even if SEPTA is negligent in whole or in part, for any claims made by an employee, Board member, officer, agent, workman or servant of the Contractor/Consultant's or any other person working on Contractor/Consultant's behalf, ~~including claims for~~ compensation or benefits payable to any extent by or for Contractor/Consultant under any workers' or similar compensation acts or other employee benefit acts, and Contractor/Consultant expressly waives its statutory protection under §303, as amended, of The Pennsylvania Workers' Compensation Act, 77 P.S. §481 (b). In addition, Contractor/Consultant shall indemnify SEPTA for any fines and legal fees incurred because employees, agents, or workers supplied by Contractor/Consultant are not authorized to work in the United States.

A66: Denied.

Q67: d. Material and Workmanship. In addition to all warranties implied by law, Contractor/Consultant expressly warrants all Material and/or Equipment against any defect in design, material or workmanship which may be discovered during the 5 Year term of the contract, ~~plus at any time after the completion of the project.~~ Contractor/Consultant shall make any necessary repairs to and any replacements of all or parts of the Material and/or Equipment during the period set forth above, at no additional cost to SEPTA. In the event that the warranty work is to be completed after the expiration of the Contract, the Contractor/Consultant hereby agrees to maintain in force and/or extend all of the insurance as originally required by the Contract when it was in force, with SEPTA and any other entity required by SEPTA named as additional insured. The Contractor/Consultant is to procure a Right of Entry Permit from Procurement & Supply Chain Management and may be required to submit proof of insurance before SEPTA will issue the permit.

A67: Accepted.

Q68: 4. Time of Performance

a. Contractor/Consultant shall perform all the services required under the Contract within a total of 1,825 calendar days from the effective date stated in SEPTA's written Notice to Proceed.

b. Contractor/Consultant shall commence performance promptly upon the effective date stated in SEPTA's Notice to Proceed. ~~Time is of the essence in the performance of services under the Contract.~~

Q68: Denied.

Q69: 6. Personnel To Be Used in Providing Services

a. Responsibility for Personnel

Contractor/Consultant agrees that all personnel used in performance of the Contract shall be considered employees of Contractor/Consultant or its subcontractors/subconsultants and in no event shall any of the personnel employed in the performance of the Contract be considered employees of SEPTA.

b. Only Certain Employees to Perform Services

Contractor/Consultant shall provide SEPTA with a list of all Proposer's (and/or subcontractor's) managers and field representatives who will perform services under the Contract.

Contractor/Consultant shall furnish a resume, brief biographical sketch and services history of each ~~person~~ "Key Personnel" involved with performing services required under the Contract.

~~Personnel designated within the proposal as "Key Personnel" for the performance of the required services, shall not be removed nor have their level of participation reduced by the Contractor/Consultant prior to the completion of their assignment under the Contract without the prior written approval of SEPTA.~~

A69: Denied.

Q70: 9. Method of Payment

a. To obtain payment of a portion of the Total Contract Price, Contractor/Consultant may submit to SEPTA, not

more than once each calendar month, an invoice for payment for services rendered in the preceding month, in such form and reasonable detail as SEPTA may require. Such invoices shall not be for amounts inconsistent with the actual physical progress of the services Contractor/Consultant has performed on the Project as determined by SEPTA's Project Representatives. Invoices, at a minimum, shall include the following information: activity date(s), consultant and/or subconsultant name/title who performed the services, number of hours worked, hourly rate, and a description of task/services provided. Consultant and/or subconsultant personnel shall

invoice for completed work in accordance with positions listed, and hourly rates established, within the initial price proposal, or Best and Final Offer (BAFO), if applicable. If the Contractor/Consultant uses a DBE, each invoice shall include a DBE Invoice Payment Report (a sample copy of the DBE Invoice Payment Report is attached to the Contract). In each invoice Contractor/Consultant shall:

(1) Certify that all services described were performed in substantial conformity with the terms of the Contract and that it is entitled to receive the amounts specified under the terms of the Contract in accordance with said description.

b. Payments due to Contractor/Consultant under the Contract shall be made within thirty

(30) calendar days after written approval receipt of Contractor/Consultant's invoice by SEPTA's Project Representatives.

A70: Denied.

Q71: 10. Audit and Inspection of Books and Records

Contractor/Consultant shall keep written records in reasonable detail of all services performed by it under the Contract. All written records, reports, work sheets, data, and information prepared, generated, or obtained in connection with Contractor/Consultant's performance of services for SEPTA shall be made available during the term of the Contract and for a period of five (5) years thereafter, together with all books and other data or information, in whatever form contained, relating to Contractor/Consultant's performance under the Contract. Contractor/Consultant shall permit the audit and examination of the aforementioned material not more than once per annum, including the making of excerpts and transcriptions, by appropriate officers or representatives of SEPTA and any governmental funding agency providing financial assistance for the Project, including the United States Department of Transportation, the Office of the Comptroller General of the United States, and the Pennsylvania Department of Transportation. For clarity, SEPTA agrees that the audit may not be conducted by a Contractor/Consultant competitor, which a list of such competitors shall be provided upon request. Contractor/Consultant shall provide SEPTA with up to eighty (80) working hours of Contractor/Consultant audit support. Any additional support will be invoiced and Contractor/Consultant's then-current time and material rates.

A71: Denied.

Q72: 11. Overpayments

If at any point SEPTA determines that Contractor/Consultant has been overpaid, SEPTA's Contract Administrator shall notify Contractor/Consultant in writing of the overpayment. Contractor/Consultant shall remit the amount of the overpayment or provide a credit to SEPTA within thirty

(30) calendar days of said notification or notify SEPTA of its disagreement. If Contractor/Consultant does not agree with SEPTA's determination, it shall follow the dispute process outlined in Paragraph 31, "Disputes."

A72: Denied.

Q73: 12. All Information and Findings to Remain Confidential

Contractor/Consultant agrees that all information relating to research investigations (patentable or unpatentable), specifications and other evaluations, drawings, tracings, plans, and other data which have been obtained by Contractor/Consultant from SEPTA or are evolved or developed by Contractor/Consultant (or by others under his direction or supervision) in connection with the performance of the Contract or the

efforts in conjunction with employees of SEPTA shall be deemed to be confidential information belonging solely to SEPTA. Further, during the term of the Contract and thereafter for a minimum period of three (3) years after the services, Contractor/Consultant shall not use or disclose such information for any purpose (or permit its usage or disclosure by others under Contractor/Consultant's supervision or direction) except to the extent necessary to perform services under the Contract, unless Contractor/Consultant can demonstrate to the satisfaction of SEPTA that such information was actually known to Contractor/Consultant prior to the Contract or was independently and properly obtained or developed by Contractor/Consultant apart from any connection with SEPTA or its employees, directly or indirectly, without breach of any confidential relationship or was publicly available. ~~Contractor/Consultant, using employment contracts and other legally acceptable methods, shall ensure that during the term of the Contract and for three (3) years after the services, none of its employees or former employees accept any employment or assignment which uses any of the information developed in connection with this Project.~~

A73: Denied.

Q74: 13. Data to Become Property of SEPTA

Unless otherwise stated in the applicable Statement of Work ("SOW") and excluding any pre-existing or embedded intellectual property of Consultant/Contractor, All data, notes and other works developed in the performance of the Contract shall become the sole property of SEPTA and may be used on any other Project without additional compensation to Contractor/Consultant. Contractor/Consultant agrees not to assert or authorize others to assert any rights nor establish any claim under the design patent or copyright laws. Contractor/Consultant, for a period of three years after completion of the Project, agrees to furnish all retained works at the request of SEPTA's Project Representative. Unless otherwise provided in the Contract, Contractor/Consultant shall have the right to retain copies of all works beyond such period.

A74: Accepted.

Q75: 15. Assignment of Rights, Delegation of Duties Restricted

Excluding any change of control, Contractor/Consultant shall not assign any rights arising under the Contract without the prior written consent of SEPTA. Contractor/Consultant shall not delegate, without the prior written consent of SEPTA, any duties in performance of services under the Contract.

A75: Denied.

Q76: 16. Subcontracting

a. Subcontracting Restricted

Beyond those subcontractors/subconsultants proposed by the Contractor/Consultant and made part of the Contract, Contractor/Consultant shall not subcontract any portion of the services which are the subject of the Contract without the prior written consent of SEPTA. Contractor/Consultant agrees to be fully liable and responsible for the acts and omissions of subcontractors and subconsultants just as Contractor/Consultant is for the acts and omissions of persons employed by Contractor/Consultant.

b. Award of Subcontracts and Other Contracts for Portion of the Work

(1) Any new, additional, or substituted subcontractor/subconsultant proposed by Consultant after the award shall be subject to the prior written approval of SEPTA's Project Representative.

(2) Consultant shall not make any substitution of any subcontractor/ subconsultant or for any person or organization that has been previously accepted by SEPTA as part of the Contract unless and until requested to do so by SEPTA and/or unless such substitution is expressly approved by SEPTA in writing. No increase in total contract price shall be allowed for any such substitution.

c. Subconsultant/Subcontractor Relations

The Contractor/Consultant shall deal with each Subcontractor/Subconsultant in accordance with the terms and conditions of a written Contract between the Contractor/Consultant and such Subcontractor/Subconsultant. Said written Contract shall not be inconsistent with any term or condition of

the Contract, shall include all terms and conditions required by the Contract and shall in every respect protect SEPTA's interests in the Work and the conduct thereof.

In the absence of good and sufficient reasons, within ~~twenty (20) business~~ ninety (90) calendar days of the receipt of payment from SEPTA by the Contractor/Consultant, the Contractor/Consultant shall pay each Subcontractor/Subconsultant with whom it has contracted their earned share of the payment the Contractor/Consultant received.

In addition, Contractor/Consultant shall pay its Subconsultant(s)/Subcontractor(s) any retainage Contractor/Consultant has withheld from its Subconsultant(s)/Subcontractor(s) within ninety (90) calendar ~~twenty (20) business~~ days after a Subconsultant's/Subcontractor's work is satisfactorily completed.

A76: Denied.

Q77: 19. Infringement of Patents, Trademarks and Copyrights

Contractor/Consultant shall defend, indemnify and save harmless SEPTA, its Board Members, officers, agents, servants, workers, employees, subsidizers and indemnities from third party liability of any kind and will pay all costs and expenses, ~~including consequential damages~~, for or on account of or existing from any infringement or violation or alleged violation of any U.S. patent, trademark and/or copyright or any right of any person, firm or corporation resulting from any act, omission or negligence on the part of Contractor/Consultant in performance of the Contract.

A77: Denied.

Q78: 1. Termination for Convenience of SEPTA

Unless otherwise stated in an applicable SOW, SEPTA shall have the right to terminate the Contract, in whole, ~~or in part~~ at any time by providing thirty (30) days' written notice to the Contractor/Consultant. The Contractor/Consultant shall be paid all reasonable costs as determined by SEPTA in accordance with 48 CFR Subpart 31.2, that specifies the special treatment of certain costs under Subpart 31.2, Section 31.205-42, "Termination Costs."

Such costs will include contract work performed up to the date of termination; any actual costs associated with termination for convenience, as agreed to by SEPTA; and profit on Work performed up to the time of termination. However, the agreed amount may not exceed the Contract Sum. Furthermore, SEPTA will not pay any anticipatory profits and/or consequential damages claimed by the Contractor/Consultant because of termination of the Contract. The amount of profit paid shall be determined by the parties based on the amount of actual work completed. The Contractor/Consultant shall submit promptly its termination claim to SEPTA, and SEPTA shall determine the settlement amount to be paid by the Contractor/Consultant. If the Contractor/Consultant has any property in its possession belonging to SEPTA, the Contractor/Consultant shall account for same and dispose of it in the manner SEPTA directs.

A78: Denied.

Q79: 22. Termination of Contract for Cause

If Contractor/Consultant fails to remedy to SEPTA's satisfaction the breach or default of any of the terms, covenants, or conditions of the Contract within ten (10) calendar days after receipt by Contractor/Consultant of written notice from SEPTA setting forth the nature of said breach or default and/or if the Contractor/Consultant is suspended or debarred by any federal agency or by the Commonwealth of Pennsylvania, SEPTA shall have the right to terminate the Contract without any further obligation to Contractor/Consultant. Any such termination for cause shall not preclude SEPTA from pursuing all available remedies against Contractor/Consultant.

If SEPTA elects to waive its remedies for any breach by Contractor/Consultant of any covenant, term or

condition of the Contract, such waiver by SEPTA shall not limit SEPTA's remedies for any succeeding breach of that or of any other term, covenant, or condition of the Contract.

In the event that it is ultimately determined by SEPTA that the Contractor/Consultant was not in default or that the failure to perform arose out of causes beyond the control and without fault of the Contractor/Consultant, the termination shall be treated as one of convenience and the Contractor/Consultant's sole rights and exclusive remedies shall be those set forth in Paragraph 21.

The Contractor/Consultant will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract SEPTA shall issue to Contractor/Consultant acceptance or rejection within ten (10) calendar days of receipt of services and/or applicable deliverable(s) by Contractor/Consultant. In the event SEPTA fails to issue acceptance or rejection within a ten-day time period, the services and/or deliverable(s) shall be deemed accepted.

A79: Denied.

Q80: 23. Indemnification

In addition to all other obligations of Indemnification specified herein, Contractor/Consultant agrees to ~~release and be liable for and to~~ defend, indemnify and save harmless SEPTA, its Board members, officers, agents, servants, workers, employees, subsidizers and indemnities, the Pennsylvania Department of Transportation, the City of Philadelphia and any and all government funding agencies providing funds or services in connection with this Project (hereinafter collectively referred to as "SEPTA"), from and against any and all third party loss, cost, damage, liability and expense, ~~including consequential damages, and~~ reasonable counsel fees, whether or not arising out of any claim, suit or action at law, in equity, or otherwise, ~~of any kind or nature whatsoever, including negligence, directly~~ arising out of the performance of the work by reason of any accident, loss or damage of property, including the work site, property of SEPTA and Contractor/Consultant, or injury, or dismemberment, including death, to any person or persons, including employees of SEPTA, Contractor/Consultant, or (ii) the gross negligence, willful misconduct, or fraudulent activities of Contractor/Consultant or its personnel, which may be sustained either during the term of the Contract, or upon or after completion of the Project, ~~whether brought directly by these persons or by anyone claiming under or through them including heirs, dependents and estates.~~

Contractor/Consultant also agrees for itself and on behalf of its agents, servants, subconsultants/ subcontractors, materialmen, and employees to defend, indemnify and hold harmless SEPTA from and against any and all third party claims ~~of any kind or nature whatsoever~~ regarding the payment subconsultants/subcontractors and materialmen and agrees to assume the defense of SEPTA to any such suit at its cost and expense. The Contractor/Consultant further assumes the risk of loss and damage to materials, machinery, and equipment to be always incorporated in the Work prior to delivery to the Project site or while in the possession or under the control of the Contractor/Consultant.

Contractor/Consultant, for itself and its employees, Board members, officers, agents, servants, workers, contractors/consultants, subconsultants/subcontractors, licensees and invitees, or any other person working on Contractor/Consultant's behalf, hereby releases and agrees to be liable for and to defend, indemnify and save harmless SEPTA, ~~even if SEPTA is negligent in whole or in part, to the extent~~ Contractor/Consultant is responsible for any third party employment for any claims made by an employee, Board member, officer, agent, workman or servant of the Contractor/Consultant's or any other person working on Contractor/Consultant's behalf, including claims for compensation or benefits payable to any extent by or for Contractor/Consultant under any workers' or similar compensation acts or other employee benefit acts, and Contractor/Consultant expressly waives its statutory protection under §303, as amended, of The

Pennsylvania Workers' Compensation Act, 77 P.S. §481 (b).

In addition, Contractor/Consultant shall indemnify SEPTA for any fines and legal fees incurred because employees, agents, or workers supplied by Contractor/Consultant are not authorized to work in the United States.

A80: Denied.

Q81: 1. Disputes

a. Disputes arising in the performance of the Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of SEPTA's Assistant General Manager of Procurement & Supply Chain Management of Procurement. This decision shall be final and conclusive, unless within ten (10) calendar days from the date of receipt of its copy, the Contractor/Consultant or SEPTA Project Manager mails or otherwise furnishes a written appeal to the Assistant General Manager of Procurement & Supply Chain Management of Procurement. The Assistant General Manager of Procurement & Supply Chain Management of Procurement may authorize a representative not involved with the initial decision to review the appeal. In connection with any such appeal, the Contractor/Consultant or SEPTA Project Manager shall be afforded an opportunity to offer evidence in support of its position. The decision of the Assistant General Manager of Procurement & Supply Chain Management, or his/her authorized representative, shall be the final determination of SEPTA. Contractor/Consultant withholds the right file a claim in a court of competent jurisdiction regarding such dispute in the event it does not agree with the final determination of SEPTA.

b. Performance During Disputes

Unless otherwise directed by SEPTA, or determined to be illegal course of action by either party Contractor/Consultant shall continue performance under the Contract while matters in dispute are being resolved.

A81: Denied.

Q82: 38. Warranties

a. Title: Contractor/Consultant covenants and warrants that good title to all the Material and/or Equipment furnished under the Contract shall vest in SEPTA immediately upon delivery and acceptance by SEPTA.

b. General: Contractor/Consultant warrants that all Material and/or Equipment meets all requirements and standards set by the Scope of Services. All Material and/or Equipment shall be new, the best of its kind or quality, reasonably fit for its intended use as set forth in the Scope of Services, and of safe, substantial, and durable construction. Contractor/Consultant further warrants that any Material and/or Equipment, shall conform to representations and descriptions, either oral or written, made by the Contractor/Consultant and any literature, sample, or other vehicle of information supplied by Contractor/Consultant prior to the time of the proposal due date for the Contract. Contractor/Consultant further warrants that any sample provided represents a minimum standard of quality for the Material and/or Equipment furnished hereunder.

c. Payment of Suppliers and Subcontractors: Contractor/Consultant warrants that all workers, subcontractors, and suppliers will be satisfied by Contractor/Consultant prior to Contractor/Consultant rendering any invoice to SEPTA so that, at the time SEPTA makes payment to Contractor/Consultant, no part of the performance under the Contract shall be subject to any claim or lien.

d. Material and Workmanship. In addition to all warranties implied by law, Contractor/Consultant expressly warrants all Material and/or Equipment against any defect in design, material or workmanship which may be discovered during the 5 Year term of the contract, plus at any time after the completion of the project. Contractor/Consultant shall make any necessary repairs to and any replacements of all or parts of the Material and/or Equipment during the period set forth above, at no additional cost to SEPTA. In the event that the warranty work is to be completed after the expiration of the Contract, the Contractor/Consultant hereby agrees to maintain in force and/or extend all of the insurance as originally

required by the Contract when it was in force, with SEPTA and any other entity required by SEPTA named as additional insured. The Contractor/Consultant is to procure a Right of Entry Permit from Procurement & Supply Chain Management and may be required to submit proof of insurance before SEPTA will issue the permit.

1. Contractor/Consultant warrants the services will be provided in a professional and workmanlike manner. THE FOREGOING WARRANTY IS MADE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

A82: Denied.

Q83: 43. Limitation of Liability.

a. Cap on Liability. The sole liability of Contractor/Consultant and any of its affiliates (whether in contract, tort, negligence, strict liability in tort, by statute or otherwise) for any and all claims in any manner related to this Contract including any deliverables or services, will be the payment of direct damages, not to exceed (in the aggregate) the fees received by Contractor/Consultant with respect to the services and/or deliverables involved under the applicable SOW during the twelve (12) months preceding the event giving rise to liability.

b. Waiver of Indirect Damages. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES, LOSS OR EXPENSES (INCLUDING, BUT NOT LIMITED TO, BUSINESS INTERRUPTION, REPUTATIONAL DAMAGES, LOST BUSINESS, LOST PROFITS OR LOST SAVINGS) EVEN IF IT HAS BEEN ADVISED OF THEIR POSSIBLE EXISTENCE.

c. Precluded Damages. In the event of a claim of malpractice or professional negligence in connection with the services, the following shall not be considered damages to SEPTA: (i) contributions to SEPTA's pension plan that would have been made in a different year had Contractor/Consultant's deliverables or work product been correct; (ii) benefit amounts calculated by Contractor/Consultant and presented to participants but not actually paid before the discovery of the error; (iii) any amounts that are recoverable to SEPTA from a third party, even if SEPTA decides not to recover such amounts.

d. Overpayments. In the event that excessive benefit amounts are paid to one or more participants as a result of an error by Contractor/Consultant, and Contractor/Consultant is determined to be liable for all or part of such excess, or if Contractor/Consultant reimburses SEPTA for such excess amount, Contractor/Client shall have a subrogated right to any claim that may otherwise be held by SEPTA or SEPTA pension plan for repayment of such excess benefits from such participants. SEPTA shall cooperate with Contractor/Consultant's right to collect such repayment from such participants.

e. Errors. Contractor/Consultant shall not be liable to SEPTA for any errors that are entirely or partially the result of Contractor/Consultant's use of incorrect or incomplete data provided to Contractor/Consultant by SEPTA or, at SEPTA's direction, by any employee, contractor or agent of SEPTA, regardless of whether Contractor/Consultant could have or should have noticed that such data was incomplete or erroneous. Client acknowledge that all actuarial calculations are estimates and that methods of estimation are appropriate with respect to actuarial valuations. Differing methods of estimation inherently produce results that are slightly different from the results of more precise calculations. SEPTA may not reasonably rely on any actuarial valuation being totally precise. Accordingly, the following shall not be considered errors giving rise to damages: (i) any result in an actuarial valuation that differs from a more precise calculation by an amount less than 1% of the actuarial accrued liability of the plan or program to which the valuation relates, or (ii) if greater, 1% of the assets held by, or in trust for such plan or program.

A83: Denied.