

**REMOVAL AND REPLACEMENT OF C2 EXTERIOR OVERHEAD DOOR
CONTRACT**

BETWEEN

PENNSYLVANIA CONVENTION CENTER AUTHORITY

AND

SET-RITE CORPORATION

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REMOVAL AND REPLACEMENT OF C2 EXTERIOR OVERHEAD DOOR CONTRACT

THIS AGREEMENT ("Agreement") is made this ___ day of July, 2011, intending to be effective July 15, 2011 ("Effective Date"), by and between PENNSYLVANIA CONVENTION CENTER AUTHORITY, an agency and public instrumentality of the Commonwealth of Pennsylvania and a body corporate and politic with offices at One Convention Center Place, 1101 Arch Street, Philadelphia, Pennsylvania 19107 ("PCCA"), and Set-Rite Corporation, a Pennsylvania corporation, with an address at 5790 Bristol Pike, Bristol, Pennsylvania 19007 ("Set-Rite").

BACKGROUND

WHEREAS, PCCA was created and exists pursuant to the provisions of the Pennsylvania Convention Center Authority Act, 64 Pa. C.S. §6001, et. seq.(the "Act") for the purpose of developing and operating a convention center in Philadelphia, Pennsylvania;

WHEREAS, the Owner issued a Request for Bids dated May 6, 2011, in which the PCCA asked to receive bids to procure furniture, fixtures and equipment for the PCCA; and

WHEREAS, the components of the bid in includes an overhead door in the loading dock; and

WHEREAS, the Bids were publicly opened on May 31, 2011; and

WHEREAS, the award of the contract for an overhead door was given to the lowest bidder, Set-Rite; and

WHEREAS, Set-Rite is in the business of furnishing the type of exterior overhead doors that PCCA wishes to utilize and is capable of providing the highest quality installation services;

NOW THEREFORE, in consideration of the covenants and conditions contained herein, intending to be legally bound, the parties hereto hereby agree as follows:

1. Definitions.

(a) "Applicable Law" shall mean all applicable present and future laws, ordinances, rules, regulations, orders and requirements of all federal, state and local governments having jurisdiction.

(b) "Convention Center" shall mean the facility in Philadelphia, Pennsylvania known as the Pennsylvania Convention Center not including the Reading Terminal Market

(c) "Hardware" shall mean all electronic or mechanical hardware and other equipment included as part of any system, including third-party hardware and software, conforming to the requirements as set forth in the Scope of the Services

(d) "Initial Warranty Period" shall mean the period beginning with the first delivery of any portion of the Installation and ending one (1) year after.

(e) "Installation" shall mean the services described in Paragraph 3 hereof.

(f) "Proposal" shall mean Set-Rite's Proposal dated May 25, 2011.

(g) "Scope of the Services" shall mean the equipment installation, system procedures and requirements, and hardware requirements, as set forth under the Specifications.

(h) "Specifications" shall mean the specifications of PCCA's Project Manual for Remove and Replace Exterior C2 Overhead Door dated May 6, 2011.

(i) "Subcontractor Agreement" shall mean a written agreement between Set-Rite and a subcontractor entered into in connection with the Installation, approved by PCCA in its sole discretion.

(j) "Work Product" shall mean all data, works and any other material, in whatever form, developed or created by Set-Rite (or Set-Rite's Subcontractor(s)) for PCCA for the Project.

2. Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect until March 31, 2012, unless and until earlier terminated as provided for under this Agreement ("the Term").

3. Scope of Services.

(a) Set-Rite shall provide installation of C2 overhead door, including i) labor, equipment and material to remove and dispose of existing door; ii) prepare existing opening to accept new overhead door; and iii) provide all material, labor and equipment necessary to furnish, deliver and install new C2 overhead door ("Installation").

(b) Set-Rite agrees to complete the Installation in a cost efficient and labor efficient manner consistent with manufacturers' instructions, best industry practices and standards, and the codes and regulations of government and local authorities having jurisdiction. Set-Rite shall provide all labor, materials, plant, equipment, transportation necessary for furnishing, delivering, installing, debugging in accordance with

(1) the Specifications of the Project Manual which are attached hereto as Exhibit "A"; and

(2) the Proposal, which is attached hereto as Exhibit "B".

(c) No Hazardous Conditions. All work must be performed in a safe manner. Set-Rite shall monitor all installations at the Convention Center to assure that there are no unsafe or hazardous connections or conditions created by the Installation. Set-Rite shall immediately correct any and all unsafe or hazardous connections or conditions that are found to exist.

4. Subcontractor(s).

(a) Selection. The selection of subcontractors by Set-Rite shall be subject to the prior written approval of PCCA, in PCCA's sole discretion. Following PCCA's approval of a selected subcontractor, Set-Rite shall negotiate a Subcontractor Agreement with the selected subcontractor, which Subcontractor Agreement shall be subject to the approval of PCCA prior to being entered into by Set-Rite. PCCA gives preliminary approval for the use of such subcontractor, subject to PCCA's written approval of the Subcontractor Agreement. Approval of a subcontractor or Subcontractor Agreement by PCCA shall not limit or absolve Set-Rite's duties, obligations or warranties under this Agreement.

(b) Subcontractor Relationship. Nothing contained herein or in any agreement between Set-Rite and a subcontractor or vendor shall create (1) any contractual relationship between PCCA and any subcontractor or vendor at any tier, or (2) any third-party beneficiary rights in any subcontractor or vendor at any tier. Set-Rite shall at all times be responsible for the work and conduct of its subcontractors at any tier while performing services pursuant to this Agreement and shall ensure that its subcontractors comply with all applicable terms and conditions of this Agreement. Nothing herein shall negate any rights of PCCA based upon a separate agreement with any subcontractor or under any warranty under any agreement, which is assigned to PCCA.

5. Quality.

(a) Set-Rite shall provide the highest quality services and shall constantly endeavor to improve the delivery of services to PCCA. PCCA may require Set-Rite to provide such services and items which, in PCCA's discretion, are desirable for the Installation and further, PCCA may reject, limit or require discontinuance of the provision of any services, supplies or other items provided by Set-Rite which, in PCCA's discretion, are not in the best interest of the Installation.

(b) Neither Set-Rite nor any of its employees or subcontractors will be permitted to circulate through the building for the marketing of any service or merchandise, except with the prior written approval of PCCA. Neither Set-Rite nor its employees shall distribute campaign or political literature or any literature of any kind at any time in, on or in areas abutting the building.

(c) Set-Rite shall be subject to the rules and regulations developed by PCCA, as same may be amended from time to time. A copy of Contractors Rules and Regulations developed by PCCA for the Convention Center are attached hereto and is incorporated herein as Exhibit "C".

(d) The services Set-Rite agrees to perform under this Agreement shall in no way interfere with the orderly operation of any event. PCCA shall have the right to require that any undesirable practices of Set-Rite, its employees, subcontractors or suppliers be discontinued or remedied.

(e) Set-Rite shall be required to satisfy the performance standards of this Agreement.

6. Professional Services. Set-Rite, by the execution of this Agreement, represents that it has extensive experience in the Installation and, and that it possesses a high degree of skill and ability for the provision of such services and acknowledges that PCCA has retained the services of Set-Rite on the basis of these representations. Set-Rite agrees that in the performance of its duties under this Agreement, it will exercise its highest degree of care, learning, skill and ability.

7. Representations and Warranties.

(a) Support During Initial Warranty Period. Beginning with initial deployment of any part of the Installation and continuing to the end of the Initial Warranty Period, Set-Rite shall bear all responsibility to repair or replace a device or component which has failed as a result of defect or workmanship. This warranty covers all on-site field repairs, in-shop repairs, or other service actions necessary to restore the equipment systems to their normative operational mode. Each equipment item is covered by its respective manufacturer's warranty.

(b) Separate Maintenance Agreement. Set-Rite and PCCA may enter into separate agreements for service and preventative maintenance for the Installation to take effect following the end of the Initial Warranty Period.

(c) Functional Warranty. Set-Rite warrants, represents and covenants that the Installation shall operate in conformance with the Installation Requirements and as a fully integrated system. In the event the Installation does not operate in conformance with the Installation requirements and/or as an integrated system during the Initial Warranty Period, Set-Rite shall immediately resolve the problem at its sole expense.

(d) Hardware Warranties. Set-Rite warrants, represents and covenants that all such Hardware shall: (a) be new; (b) conform to all the requirements of the Installation of this Agreement; (c) be free of defects in design, materials and workmanship; (d) be suitable for the purpose intended; and (e) be merchantable and of good quality. Set-Rite further warrants, represents and covenants that each item of Hardware shall operate correctly during the Initial Warranty Period or the length of the manufacturer's warranty, whichever is longer.

(e) Right to Enter Agreement. Set-Rite represents and warrants that it has the right to enter into this Agreement, to perform all of its obligations hereunder and grant the rights granted herein.

(f) Warranty of Non-Infringement. Vistacom warrants, represents and covenants that the Installation, the Work Product, Set-Rite's services provided under this Agreement and the services provided by its subcontractor(s) will not violate or in any way infringe upon the rights of third parties, including, but not limited to third-party proprietary, contractual, employment, trade secrets, proprietary information, and nondisclosure rights or other rights, or any trademark, copyright or patent rights.

(g) Third-Party Hardware Warranties. Set-Rite shall ensure that all applicable vendors' warranties for third party hardware purchased as part of the Installation are assignable to PCCA and Set-Rite shall assign such warranties to PCCA.

(h) No Restrictions Warranty. Set-Rite represents and warrants that it is not a party to any restrictions, agreements or understandings whatsoever which would prevent or make unlawful its acceptance of the terms set forth in this Agreement or its performance hereunder. Set-Rite further warrants, represents and covenants that its acceptance of the terms of this Agreement and the performance of its obligations hereunder does not and will not (with the passage of time) conflict with or constitute a breach or default of any contract, agreement or understanding, oral or written, to which it is a party or by which it is bound.

(i) Operational Reliability Warranty. Set-Rite represents and warrants that the Installation shall be operational and meet the requirements as set forth in the Scope of the Services and Specifications.

(j) Personnel Warranty. Set-Rite warrants, represents and covenants that it is able to and will assign an adequate quantity of employees and subcontractors to perform the Installation and to meet all requirements of this Agreement, and that all employees and subcontractors assigned to perform the Installation shall have the necessary training, education and experience to perform the tasks to which they are assigned.

(k) Warranties/Remedies Cumulative. Each warranty set forth herein shall be cumulative and shall in no way limit any other warranty whether express or implied. PCCA shall be entitled to any remedy expressly set forth herein as well as any other remedy available in law or equity.

8. Compensation.

(a) Compensation to Set-Rite shall be an amount not to exceed Ninety Four Thousand Nine Hundred Dollars (\$94,900), based on completion of the Installation. Such compensation shall include full payment for all labor in connection with Installation during the Initial Warranty Period as set forth in Exhibit "B".

(b) Set-Rite will not be compensated for travel time of its employees to and from the Convention Center.

(c) PCCA shall not compensate Set-Rite for any costs incurred as a result of call backs or service calls pertaining to improperly performed services, such costs shall be the responsibility of Set-Rite and shall not be chargeable to PCCA.

(d) During the Term of this Agreement, Set-Rite shall submit invoices for all equipment utilized by PCCA in support of the Installation. Set-Rite shall submit an invoice for the equipment after all of the equipment has been delivered and accepted by PCCA. Each invoice shall detail the hours and costs of the services. Invoices must also contain a written narrative description of specific work performed and actions taken.

(e) PCCA will pay properly invoiced amounts within thirty (30) days of receipt of each such invoice except that PCCA shall withhold as retainage ten percent (10%) of the total project cost by withholding an amount equal to ten percent (10%) of the equipment costs until the Installation is certified and accepted as complete by PCCA or its representative.

PCCA shall receive a discount of one percent (1%) per invoice for each invoice, which is paid within ten (10) days of receipt.

(f) Notwithstanding the above, PCCA may withhold payment for any installation and support services claimed to have been performed by Set-Rite if PCCA reasonably determines that:

- (i) it is an inappropriate or inaccurate billing,
- (ii) an invoice does not comply with the requirements of this Section
- (iii) any sums payable hereunder by Set-Rite to PCCA are unpaid, or
- (iv) Set-Rite is otherwise in default under this Agreement.

9. Hours of Operation and Access.

(a) The maintenance and support services performed by Set-Rite may be scheduled at any time during the day or night, weekends and/or holidays, subject to prior written approval by PCCA.

(b) Set-Rite and its employees shall be entitled to enter upon and remain in the Convention Center with access to areas designated by PCCA only for the purpose of exercising the rights, privileges and obligations provided herein and only at times approved by PCCA.

10. Contractor Supplied Materials and Supplies. Set-Rite agrees to provide all tools, materials and supplies for a complete and integrated Installation, which is needed to perform its obligation under this Agreement and in compliance with Applicable Law.

11. Cleaning and Sanitation.

(a) The trash receptacles located within the Convention Center shall not be used by Set-Rite or its employees, subcontractors or agents for the disposal of any of their tools, materials or supplies.

(b) Set-Rite shall remove from the Convention Center all waste materials related to the services Set-Rite performs under this Agreement.

12. PCCA Equipment, Fixtures and Furnishings. Set-Rite agrees to leave PCCA's equipment, fixtures and furnishings in good condition and in good operating order at the expiration or termination of this Agreement. Set-Rite shall notify PCCA of the need for any such repair or replacement of PCCA's equipment, fixtures or furnishings. Set-Rite shall be responsible for the maintenance and repair of PCCA's equipment, fixtures and furnishings, necessitated by the negligence or willful act of Set-Rite or its employees, subcontractors or invitees. The cost of such repairs and maintenance if not performed by Set-Rite may, at PCCA's sole discretion, be deducted from any compensation due to Set-Rite under this Agreement.

13. Personnel.

(a) All employees under the control of Set-Rite shall be considered employees of Set-Rite and not of PCCA. Set-Rite shall select, employ, train, furnish and deploy, employees who are proficient, productive, and courteous, and Set-Rite shall discipline, and if necessary, prohibit any and all personnel not performing in accordance with the standards of this Agreement from performing any services pursuant to this Agreement or on PCCA's property.

(b) Set-Rite assumes full responsibility for the actions of all of its personnel while performing services pursuant to this Agreement.

(c) Set-Rite agrees that there shall be no discrimination by it against any person, with respect to opportunity for employment or conditions of employment, by reason of a person being a member of any legally protected class as defined in local, state or federal law.

(d) PCCA must be completely satisfied with the performance of all assigned personnel. If not satisfied, and upon notification to Set-Rite, the Installation will be performed by other Set-Rite personnel at Set-Rite's expense. PCCA shall have the right to refuse access to the Convention Center at any time to any employee of Set-Rite, its subcontractors or suppliers and to require that any such persons not provide services at the Convention Center or for the benefit of PCCA.

(e) Set-Rite warrants that all of Set-Rite's employees engaged in the delivery of services shall comply with Applicable Law and with all instructions, rules and regulations specified by PCCA, as amended from time to time.

(f) Set-Rite shall be responsible for payment of all personnel costs, including salary, unemployment insurance, workers' compensation, social security and fringe benefits of Set-Rite's employees who provide services to PCCA.

14. Fair Wages and Hours. Set-Rite shall comply with all wage practices and laws of the governing bodies having jurisdiction and shall also comply with all Applicable Law governing employment practices and conditions of employment.

15. Labor Arrangements. Set-Rite represents and warrants that (i) none of the labor arrangements to which Set-Rite and/or its work force are bound shall interfere with the ability of Set-Rite to deliver the services required by this Agreement and (ii) any and all union agreements now or thereafter existing during the Term of this Agreement between Set-Rite and its employees shall contain last best offer arbitration provisions as to resolution of economic and other disputes at the end of the agreements to prevent work stoppages.

16. Coordination of Services. As an essential condition of the Agreement, Set-Rite shall coordinate its services and work in harmony with parties performing other services or work for PCCA or in the Convention Center and so as not to interfere with licensees or other customers of PCCA.

17. Reservation of Rights by PCCA.

(a) PCCA shall not be responsible for any materials, supplies, vehicles, goods, merchandise or equipment owned by Set-Rite and used, maintained or stored at the Convention Center, nor will it be responsible for damage resulting from a power failure, flood, fire, explosion, vandalism and/or other causes.

(b) Nothing herein contained shall be held to limit or qualify the right of PCCA to the free and unobstructed use, occupation and control of the Convention Center and ingress and egress for itself, its licensees and invitees.

(c) PCCA shall have the right, from time to time, to inspect any written contracts between Set-Rite and third parties, which relate to the provision of Installation.

18. Audit and Accounting Controls. Set-Rite agrees that all financial settlements, reports and billings rendered to PCCA under this Agreement shall properly reflect the facts of all activities and transactions handled for PCCA's account, and may be relied upon as being complete and accurate in any further recording or reporting made by PCCA for any purpose.

19. Payment of Costs. Set-Rite agrees to pay promptly all invoices, bills, expenses, payroll and employee benefits properly incurred by Set-Rite, its employees and subcontractors in the performance of this Agreement. In no event shall PCCA have any liability for any costs incurred by Set-Rite, its employees or subcontractors.

20. Taxes and Fees.

(a) Tax-Exempt Status. PCCA is exempt from the payment of state and local sales and use and other taxes on material, equipment or other personal property. Set-Rite agrees that the fees, price or rates stated in the Agreement (1) do not include any state or local taxes, surcharges or fees on PCCA in connection with this transaction, and (2) do include all other applicable taxes for which Set-Rite is liable.

(b) Set-Rite Responsible for Payment of any Tax. Set-Rite shall be responsible for the payment of any tax (including but not limited to all federal, state and local taxes, workers' compensation payments, unemployment insurance, payroll and other taxes with respect to services provided under this Agreement), duty (whether customs, import, antidumping or countervailing), fee or cost of any governmentally imposed permit, license or similar authorization required to render complete performance under the Agreement. Set-Rite shall indemnify and hold harmless PCCA against liability for the failure of Set-Rite to pay any such taxes, fees or other costs.

21. Compliance with Laws. Set-Rite shall strictly comply with the Applicable Law governing the performance of Set-Rite's rights and obligations under this Agreement, including, without limitation, the procuring and maintaining of all necessary licenses and permits. Set-Rite shall be responsible for all fines, costs and, liabilities which may be imposed on PCCA by reason of Set-Rite's non-compliance.

22. Anti-Discrimination Policy. Set-Rite acknowledges receipt of and shall adhere to PCCA's Anti-Affirmative Action Policy, attached hereto as Exhibit "D".

23. Liability and Indemnification.

(a) Set-Rite shall be liable to PCCA for all losses, costs, damages, expenses and attorneys' fees whatsoever which PCCA may suffer, sustain, pay or incur, by reason of the breach of this Agreement by Set-Rite or by reason of any warranty or representation of Set-Rite being incorrect or misleading in any respect.

(b) Set-Rite shall indemnify, defend and hold harmless PCCA, its officers, directors, employees, agents and licensees (collectively and individually, the "Indemnified Party") from and against all actions, proceedings, claims, demands, losses, liabilities, costs, damages and expenses whatsoever (including, without limitation, attorneys' fees, court costs and costs of investigation) which may be brought against or suffered by the Indemnified Party or which it may sustain, pay or incur, to the extent occasioned wholly or in part, by reason of, or on account of any negligence, act or omission by Set-Rite or Set-Rite's employees, agents, subcontractors or invitees or any injury, illness or death of persons and/or damage to property arising out of, or incidental to, Set-Rite's obligations pursuant to this Agreement.

(c) This indemnity shall survive termination of this Agreement. The rights of PCCA under this Section shall be in addition to and not in limitation of the rights, remedies, damages or recourse to which PCCA may be otherwise entitled under this Agreement, in law or in equity. In the event of any claim or demand made against any Indemnified Party, PCCA may in its sole discretion reserve, retain or apply any monies due to Set-Rite hereunder for the purpose of resolving such claims.

(d) Set-Rite will, at its sole expense, indemnify, defend and hold harmless any Indemnified Party from and against any action, suit or other proceeding to the extent that it is based on a claim that the Installation, or any portion thereof, infringes any patent, trade secret, trademark or copyright or any other intellectual property right of any third party. Should any Indemnified Party become or, in Set-Rite's opinion, be likely to become the subject of a claim of infringement of a patent, trademark, trade secret or copyright, or other third-party proprietary right, Set-Rite shall at its option:

(i) procure for PCCA, at no cost to PCCA, the right to continue to use the Installation; or

(ii) replace or modify the Installation or the portion thereof which is the subject of the claim, at no cost to PCCA to make the Installation or portion thereof non-infringing, provided that the same function is performed by the replaced or modified Installation. In the event that Set-Rite is unable to do either of the foregoing, Set-Rite shall refund all amounts paid under this Agreement.

24. Insurance.

(a) Set-Rite shall comply with all applicable insurance and fire prevention laws, rules, regulations and requirements of PCCA, the Commonwealth of Pennsylvania, the City of Philadelphia, and of all legally constituted insurance authorities, including, without limitation, PCCA's risk management program, policies and procedures.

(b) At the time of the execution of this Agreement, Set-Rite is to furnish and deposit with PCCA certificates of insurance respecting all required insurance coverages designated herein together with evidence that the premiums for such insurance have been paid. If the insurance coverage is provided under a master policy, Set-Rite will provide information to PCCA's insurance consultant sufficient to confirm that Set-Rite has the coverages required hereunder. At least thirty (30) days prior to the expiration of any policy required under this Agreement, Set-Rite shall deliver to PCCA a certificate of insurance evidencing the renewal of such policy, together with receipts for payment of the premiums required therefor. All coverages shall be issued by an insurance company authorized by law to carry on business in the Commonwealth of Pennsylvania, and having an A.M. Best rating of A+ or better and/or which are otherwise acceptable to PCCA. Coverages are to include the following at the sole cost and expense of Set-Rite:

(i) Commercial comprehensive general liability coverage with limits of liability of not less than the following for bodily injury and/or property damage and personal/advertising injury: \$1,000,000 each occurrence; \$2,000,000 general aggregate; \$1,000,000 products/completed operations aggregate; \$1,000,000 personal and advertising injury limit.

(ii) Business automobile liability coverage shall be provided with limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence for bodily injury and/or property damage. Coverage is to include all owned, hired and non-owned automobiles.

(iii) Workers' compensation for Set-Rite's employees with Pennsylvania statutory limits and including employer's liability with limits as follows: bodily injury by accident - \$500,000 each accident; bodily injury by disease - \$500,000 policy limit; bodily injury by disease - \$500,000 each employee.

(iv) Umbrella excess liability coverage with limits of liability of not less than Three Million Dollars (\$3,000,000) each occurrence and in the aggregate, where applicable, excess of the liability limits in subsections (i), (ii) and (iii) above.

(v) All-risk legal liability coverage with limits of liability of not less than One Million Dollars (\$1,000,000) for damage to property of others in the care, custody or control of Set-Rite.

(vi) The insurance coverages described in this Agreement shall also include the following:

(1) Thirty (30) days prior written notice of cancellation, material reduction of coverage or non-renewal shall be given to PCCA.

(2) PCCA, the City of Philadelphia and the Commonwealth of Pennsylvania shall be named as additional insureds.

(vii) Set-Rite is responsible for and shall require all servicemen, deliverymen, and subcontractors to provide to it, prior to the provision of any materials or

services, certificates of insurance of their comprehensive general liability, automobile liability, and workers' compensation coverages as described above and with written notice of cancellation and waiver of subrogation in favor of Set-Rite and PCCA. Also, Set-Rite and PCCA shall be named as additional insureds.

(viii) The insurance coverages provided for under this Section 30 shall include an endorsement for intellectual property infringement.

25. Waiver of Subrogation.

Each of the parties hereto hereby releases the other and the other's partners, agents and employees, to the extent of each party's insurance coverage, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party, its partners, agents or employees, provided, however, that this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy of either party does not presently contain provisions, which permit such a waiver, each party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation.

26. Force Majeure.

The obligation of any party to perform any acts hereunder shall be suspended during the period such performance is prevented by acts of God, war, riot, invasion, fire, accident, strike or walkout, or slow down or concerted interruption of or interference with work, or by government interference, regulation, appropriation, or rationing or by inability to secure goods or materials or shipments or because of other conditions similar to those enumerated above, beyond the control of the party obligated to perform.

27. Performance by PCCA. In the event that Set-Rite is unable or unwilling, including, without limitation, by reason of any of the force majeure events set forth in Section 27 (Force Majeure) above, to perform part or all of its obligation under this Agreement, PCCA is duly authorized to perform (and to authorize others to perform) such obligations or any portion thereof in such manner as PCCA may deem proper and, except for reasons caused by such force majeure events, to charge Set-Rite for any costs incurred by PCCA in excess of those costs that would have been incurred if Set-Rite had provided the services. Any such costs shall bear interest at the rate of twelve percent (12%) per annum until paid and if not paid by Set-Rite upon demand same shall be deducted by PCCA from any compensation due to Set-Rite hereunder.

28. Termination of Agreement.

(a) Termination for Convenience. PCCA shall have the right, upon thirty (30) days' prior written notice to Set-Rite to terminate the Agreement or performance of any portion of the Agreement by Set-Rite without cause. Such termination shall be considered a termination for the convenience of PCCA. After receipt of a notice of termination, and except as otherwise directed by PCCA, Set-Rite shall:

(i) Stop the performance of all or the portion of the Agreement specified by PCCA on the date and to the extent specified in the notice of termination;

(ii) Place no further subcontracts or orders for materials, equipment, services, facilities or other items, except as may be necessary for completion of performance of such portion of the Agreement as is not terminated;

(iii) Terminate all subcontracts to the extent that they relate to the performance of the portion of the Agreement which is terminated;

(iv) Assign to PCCA, in the manner and to the extent directed by PCCA, all the rights, title and interest of Set-Rite under the terminated subcontracts;

(v) Settle all outstanding liabilities and all claims arising out of such termination of subcontracts with the approval or ratification of PCCA, which approval or ratification shall be final for the purposes of this Article;

(vi) Complete performance in accordance with the Agreement of any part of the Installation or any obligation which has not been terminated by the notice of termination;

(vii) Take such action as may be necessary, or as PCCA may direct, for the protection and preservation of the property related to this Agreement which is in the possession of Set-Rite and in which PCCA has or may acquire an interest; and

(viii) Submit to PCCA, within ninety (90) days from the termination notice, a list, certified as to quantity and quality, of any or all items of termination inventory and previously disposed of items, exclusive of items for which the disposition has been directed or authorized by PCCA; Set-Rite may request PCCA to remove such items or enter into a storage agreement covering the same, provided that the list submitted shall be subject to verification by PCCA upon removal or storage of the items, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(b) Termination Claim. After receipt of a notice of termination for convenience, Set-Rite shall submit to PCCA its termination claim in the form prescribed by PCCA. Such claim shall be submitted promptly, but in no event later than ninety (90) days after receipt of a termination for convenience notice from PCCA. Upon failure of Set-Rite to submit its termination claim within the time allowed, PCCA may determine on the basis of information available to PCCA the amount, if any, due to Set-Rite by reason of the termination and shall thereupon pay Set-Rite the amount so determined.

(c) Termination Costs. In the event that PCCA terminates the Agreement, in whole or in part, for convenience, PCCA shall pay Set-Rite the termination costs which shall be, if appropriate and reasonable, an amount equal to its actual cost of: (i) the portion of the Installation completed and accepted by PCCA up to the notice of termination, (ii) direct actual costs incurred in the performance of reasonable actions to be taken; and (iii) non-cancelable and non-returnable material and equipment which has been specifically obtained for the purposes of this Agreement but not installed as part of the Installation, which Set-Rite shall deliver to PCCA;

provided that such agreed amount(s) by PCCA and Set-Rite shall not exceed a reasonable payment cap as reduced by the amount of payments otherwise made with respect to the performance of the Agreement and as further reduced by the amount payable under this Agreement for performance of the portion of the Agreement not terminated. Payment of the termination costs shall constitute an accord and satisfaction of Set-Rite's rights in the event of a termination for convenience. Except for the right to be paid the termination costs, Set-Rite shall have no right or claim to any moneys or damages with respect to a termination for convenience and shall make no other claim in the event of such a termination.

(d) Ownership. Rights to all parts of the Installation in respect of which reimbursement is made by PCCA to Set-Rite as herein provided shall, upon such reimbursement, pass to and vest in PCCA unless already vested under another provision of this Agreement, or unless PCCA directs otherwise, and shall be delivered to PCCA or otherwise disposed of in accordance with PCCA's instructions.

(e) Survivability. Any and all provisions of this Agreement, which by their nature would reasonably be expected to be complied with or performed after the expiration or termination of this Agreement, shall survive and be enforceable after the expiration or prior termination of this Agreement. Without limiting the generality of the foregoing or any provision in this Agreement expressly providing for survival, the provisions of Section 7 (Representations and Warranties), Section 24 (Liability and Indemnification), Section 31 (Limitation on Liability) and Section 43 (Confidentiality) shall survive termination of this Agreement.

29. Bankruptcy. Should Set-Rite, during the term of this Agreement, make any assignment for the benefit of its creditors or voluntarily or involuntarily be declared bankrupt or terminated or, if a receiver or liquidator shall be appointed to administer Set-Rite's affairs, this Agreement shall, at the sole discretion of PCCA, be automatically and without notice canceled and terminated as of the date of such assignment or as of the date upon which a custodian, receiver, trustee or liquidator is appointed.

30. Limitation on Liability. Set-Rite agrees that under no circumstances may Set-Rite claim from PCCA any special, consequential, punitive, speculative, incidental or indirect damages, all of which Set-Rite specifically waives from PCCA, whether such claim is based on a cause of action based in contract, negligence, strict liability, warranty, operation of law or otherwise.

31. Removal of Property. Upon the expiration or termination of this Agreement, Set-Rite shall remove at its expense and without damaging PCCA's property, all property in the Convention Center owned by Set-Rite.

(b) If any Set-Rite supplied tools, materials or supplies, other property or improvements which are required by PCCA to be removed from the Convention Center have not been removed by Set-Rite by the date of termination, PCCA shall provide Set-Rite with thirty (30) days notice to remove the same at Set-Rite's cost, risk and expense. If Set-Rite fails to do so, PCCA shall have the right to consider such property abandoned and to retain or dispose of the same or any part thereof, without payment or reimbursement to Set-Rite.

32. Advertising. Set-Rite shall not use the trademarks, symbols or trade name or names of the Convention Center or PCCA directly or indirectly, in connection with any production, promotion, service, publication, public statements, public discussions, or advertising without the prior written approval of PCCA.

33. Non-Waiver. No waiver by PCCA of any default, breach or non-observance by Set-Rite from time to time in respect of any covenant, proviso or condition herein contained shall operate as a waiver of PCCA's rights hereunder in respect to any continuing or subsequent default, breach or non-observance, or operate so as to defeat or affect in any way the rights of PCCA in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by PCCA save only an express waiver in writing.

34. Notice.

(a) All notices, demands, requests or other communications required or permitted under the terms of this Agreement shall be in writing and, unless and until otherwise specified in a written notice by any party, shall be sent to the parties as follows:

If to PCCA:

Pennsylvania Convention Center Authority
One Convention Center Place
1101 Arch Street
Philadelphia, PA 19107
Attention: Bob Lester, Director of Engineering

And

Pennsylvania Convention Center Authority
One Convention Center Place
1101 Arch Street
Philadelphia, PA 19107
Attention: Managing Dir, Administration and Compliance

If to Set-Rite:

Set-Rite, Inc
5790 Bristol Pike
Bristol, PA 19007

Notices may be given on behalf of any party by its legal counsel.

(b) Each such notice, demand, request or other communication shall be deemed to have been properly served for all purposes if (i) hand delivered against a written receipt of delivery, (ii) mailed by registered or certified mail of the United States Postal Service,

return receipt requested, postage prepaid, or (iii) delivered to a nationally recognized overnight courier service for next business day delivery.

(c) Each such notice, demand, request or other communication shall be deemed to have been received by its addressee (i) if hand delivered, upon actual receipt by the addressee, (ii) if mailed, two business days after deposit thereof in the United States mail, or (iii) if sent by overnight courier service, one business day after delivery to the courier.

35. Prohibition Against Altering Facilities. Except for the alterations and installations required pursuant to the Scope of the Services, Set-Rite agrees not to make any other alterations or installations to the Convention Center without having first obtained the consent in writing of a Vice President/Officer or of the President of PCCA.

36. Subordination. This Agreement and everything herein contained shall be subordinate to any ground and underlying lease or leases and to any charge or charges (including mortgages, bonds, and all instruments supplemental thereto) and all renewals, modifications, consolidations, replacements and extensions thereof created by PCCA in respect to the Convention Center and Set-Rite hereby covenants and agrees that it will at any time and from time to time as required by PCCA during the term hereof and any extension or renewal, give all such further assurances relative to this proviso as may be reasonably required to evidence and effectuate this subordination of its rights and privileges hereunder to the holder or holders of any such ground and underlying lease or leases and charge or charges.

37. Successors and Assigns. Set-Rite shall not assign, transfer, convey, or otherwise dispose of this Agreement or any right, title or interest in or to the Agreement or any part thereof without the prior written approval of PCCA. Set-Rite shall not subcontract the whole or any part of the Installation without the prior written approval of PCCA. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and each of their respective successors and assigns.

(b) Set-Rite acknowledges and agrees that PCCA may collaterally assign PCCA's interest in the Agreement to the City of Philadelphia and Set-Rite hereby consents to such assignment and agrees to execute such additional documents as may be necessary to evidence Set-Rite's acknowledgment and consent.

38. Independent Contractor. In the operation of this Agreement, it is understood and agreed that Set-Rite is an independent contractor and not an agent, servant, employee, partner or joint venturer of PCCA.

39. Captions. The captions of the Sections and subsections of this Agreement are intended for convenience of reference only and in no way define, limit or describe the scope of or intent of this Agreement nor in any way affect this Agreement.

40. Ownership of Work Product. Data, records, files, computations and other work of Set-Rite produced in connection with Set-Rite fulfilling its obligations under this Agreement ("Work Product") shall become the property of the PCCA and the PCCA shall be entitled to use any such Work Product in any way it desires. Set-Rite shall furnish, promptly on demand by the

PCCA, at the PCCA's expense, a complete set of all Work Product existing as of the date of such demand which had not been previously delivered.

41. Applicable Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, notwithstanding any conflict-of-laws doctrines of said jurisdiction to the contrary, and without the aid of any canon, custom or rule of law requiring construction against the draftsman. With respect to any suit, action or proceeding relating to this Agreement, Set-Rite irrevocably (a) submits to the nonexclusive jurisdiction of the courts of the Commonwealth of Pennsylvania and the United States District Courts sitting in the Commonwealth of Pennsylvania; and (b) waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claims that such proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such proceedings, that such court does not have jurisdiction over Set-Rite. Nothing in this Agreement shall preclude PCCA from bringing proceedings in any other jurisdiction nor will the bringing of proceedings in any one or more jurisdictions preclude the bringing of proceedings in any other jurisdiction.

42. No Solicitation/Conflicts of Interest.

(a) Set-Rite does hereby warrant and represent that this Agreement has not been solicited, secured or prepared directly or indirectly in a manner contrary to the laws of the Commonwealth of Pennsylvania and that said laws have not been violated as they relate to the procurement or performance of this Agreement by any conduct, including the payment or giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly to any PCCA employee, officer or consultant.

(b) To the best of Set-Rite's knowledge, no PCCA member or officer, and no employee of PCCA, has any interest (whether contractual, non-contractual, financial or otherwise) in this transaction or in the business of Set-Rite. If any such transaction comes to the knowledge of Set-Rite at any time, a full and complete disclosure of such information shall be made to PCCA.

43. Remedies and Severability. The remedies provided to PCCA or otherwise available to PCCA for the enforcement of performance of the covenants, conditions and agreements contained herein are cumulative and concurrent and may be pursued singly or successively or together at the sole discretion of PCCA, and may be exercised from time to time as often as occasion therefor shall occur. The terms of this Agreement are severable. In the event of the unenforceability or invalidity of any one or more of the terms, covenants, conditions or provisions of this Agreement under federal, state or other applicable law, such unenforceability or invalidity shall not render any other term, covenant, condition or provision hereunder unenforceable or invalid.

44. Joint and Several Liability. If Set-Rite constitutes more than one party, all parties, which constitute Set-Rite shall be jointly and severally liable with respect to the obligations hereunder.

45. The Act; Entire Agreement. The parties hereby incorporate all of the provisions of the Act by reference thereto and agree to be bound by the Act. In the event of any conflict between the terms of this Agreement and the Act, the terms of the Act shall govern. This Agreement represents the entire integrated agreement between PCCA and Set-Rite and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both PCCA and Set-Rite.

46. Contractual Relationships. Nothing contained in this Contract is intended to or shall have the effect of creating any rights in any third party against PCCA or its agents and representatives.

47. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one Agreement. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories hereto.

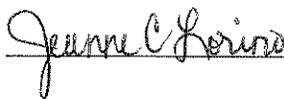
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal as of the day and year first above written.

THE PENNSYLVANIA CONVENTION CENTER

By: 
Name: A. Young
Title: _____

ATTEST:

SET-RITE, INC



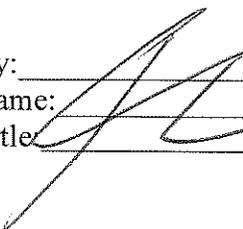
By: 
Name: Jerry Gattum III
Title: V.P.

EXHIBIT A

Bid Form

- Rolling Steel Doors
- Garage Doors
- Hollow Metal Doors
- Dock Equipment



(609) 695-7979
 (215) 946-6600
 FAX (215) 946-2952

P.O. Box 988 • Levittown, PA 19058

QUOTE #C-1161-1		DATE 05/25/11
PROPOSAL SUBMITTED TO PA Convention Center	PHONE 1-215-418-4843	FAX 1-215-418-4899
STREET 1101 Arch Street	JOB NAME SAME	
CITY, STATE, ZIP CODE Philadelphia, PA 19107	JOB LOCATION SAME	
ATTN: Bob Lester	JOB PHONE SAME	JOB FAX SAME

We hereby submit specifications and estimates for:

Labor and Material to Supply and Install:

(A) One (1) 24'0" x 20'0" Safescape T-5000-G door system. Door slats galvanized steel with Rockwool insulation with McKeon standard gray finish. Door to have six (6) 3'0" x 7'0" egress doors with exit hardware. Door to be motor operation with safety photo cell.

***Price includes the removal and disposal of the old door.**

Union Labor

We propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Ninety-Four thousand Nine-hundred Dollars (\$94,900.00)

Payment to be made as follows: As per Set-Rite Corporation Credit Terms. Prices are subject to change if not accepted in 30 days. All jams, spring pads, all wire and wiring, and all painting are by others. Purchaser agrees that all materials shall remain in seller's possession until paid in full and in the event purchaser breaches or defaults under the terms and provisions of this agreement, the purchaser shall be responsible for the cost of collection, including reasonable attorney's fees. There shall be a 1% service charge per month for all payments due and owing after 40 days. Set-Rite Corporation accepts Master Card, Visa, and American Express.

Authorized Signature: *Paul D. Oakes*

Acceptance of Proposal - The above prices, specifications, and conditions as stated on reverse side are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance:

Authorized Signature:

Title:

H.F. 2/12

EXHIBIT B

Specifications

Part 1 General

1.01 Job Description

- 1.01.1 Provide labor, equipment and material to remove and dispose existing C2 exterior door
 - 1.01.1.1 Existing door a sectional turnover door manufactured by Electric Power Doors.
 - 1.01.1.2 Items included, but not limited to, removal are door sections, vertical and horizontal track, counter weight tower, counter weights, sheaves and sheave assemblies
 - 1.01.1.3 Secure and remove all electric components and controls back to disconnect switch.
- 1.01.2 Prepare existing opening to accept new overhead door.
- 1.01.3 Provide all material, labor and equipment necessary to furnish, deliver and install new C2 overhead door.

1.02 Submittals

- 1.02.1 Furnish shop three sets of drawings for approval by the PCCA Director of Engineering. Include elevations, sections and details indicating dimensions, material, finishes, conditions for anchorage and support of door.
- 1.02.2 Submit manufactures technical literature pertaining to description of door.
- 1.02.3 Furnish three sets of Operating and Maintenance Manuals detailing all operation and maintenance procedures. Include parts lists, tools and maintenance materials needed.
- 1.02.4 Submit a project reference list of completed projects for they type of door covered under this specification.

1.03 Quality Assurance

- 1.03.1 The door and all components shall be UL Listed.
- 1.03.2 Comply with Federal, State and Local laws, codes ordinances and regulations.
 - 1.03.2.1 Contractor is responsible for obtaining all applicable permits.
- 1.03.3 All Hot Work will comply with the PCCA hot work policy.
- 1.03.4 Door manufacturer shall have been in business and have experience in manufacturing the type of door covered under this specification for a minimum of 5 years.
- 1.03.5 Door installer shall have been in business for a minimum of 5 years.

- 1.04 Delivery and Storage of door to the job site shall not be greater that 1 week of the scheduled installation date.

- 1.05 Warranty. Furnish a 1 year written warranty for all material and labor to repair and/or replace a device or component which has failed as a result of defect or workmanship.

Part 2 Products

- 2.01 Basis of Design
 - 2.01.1 The Basis of Design for the C2 exterior door is Safescape model T5000-G manufactured by McKeon Door Company.
 - 2.01.1.1 Alternative manufactures meeting the included specifications may be used upon PCCA approval.
 - 2.01.2 The C2 exterior door shall be vertical acting with the bottom section containing 6 – 36" wide egress doors. Minimum opening clearance of the door in the raised position shall be 20' wide by 20' high.
- 2.02 Materials
 - 2.02.1 Curtain shall be assembled of interlocking galvanized steel slats. Slats shall have endlocks locking each end of alternate slats to act as a wearing surface and maintain slat alignment. Curtain shall be 20 gauge minimum.
 - 2.02.2 Swinging Egress Doors shall be incorporated within the curtain and be built as an integral part of the door assembly.
 - 2.02.2.1 Door Frames shall be an all-steel unit type ASTM A366 hot rolled 14 gauge steel.
 - 2.02.2.2 Door Assembly: Complete with doors, hinges and locking channel mechanism with 20 gauge steel faces.
 - 2.02.2.3 Thresholds shall comply with egress and accessibility requirements of the authority having jurisdiction.
 - 2.02.3 Hardware
 - 2.02.3.1 Flush mounted integral type fire exit devices on interior face and pull handle on exterior face. One door shall contain a keyed cylinder compatible with PCCA key system.
 - 2.02.3.2 Closers shall be concealed type.
 - 2.02.4 Guides: Each guide assembly shall be fabricated of minimum 4" x 4" steel support angle or tube, a 2" x 3" inner guide angel and a 3" x 3" outer guide angle. Support tubes shall be constructed with a slip joint at the top to provide for thermal expansion and guide angels shall be provided with slotted holes to allow for thermal expansion.
 - 2.02.5 Mounting Brackets: Fabricated of hot rolled 3/16" steel plate minimum, brackets shall be provided to house ends of the counterbalance barrel assembly.

- 2.02.6 Hood: Shall be provided to entirely enclose curtain and counterbalance barrel assembly. Hood shall be fabricated 22 gauge galvanized steel and designed to match brackets. Top and bottom shall be reinforced for stiffness.
- 2.02.7 Counter Balance
 - 2.02.7.1 Counterbalance door by means of manufacturer's standard mechanism with an adjustable-tension, steel helical torsion spring mounted around a steel shaft and contained in a spring barrel connected to top of curtain with barrel rings. Use grease-sealed bearings or self lubricating graphite bearing for rotating members.
 - 2.02.7.2 Fabricate spring barrel of manufacturer's standard hot-formed, structural-quality, welded or seamless carbon-steel pipe, of sufficient diameter and wall thickness to support rolled-up curtain without distortion of slats and to limit barrel deflection to not more than 0.03 in./ft. of span under full load.
 - 2.02.7.3 Spring Balance: One or more oil-tempered, heat treated steel helical torsion springs. Size springs to counterbalance weight of curtain, with uniform adjustment accessible from outside barrel. Secure ends of springs to barrel and shaft with cast-steel barrel plugs.

2.03 Performance Requirement

- 2.03.1 Exterior door shall withstand the wind loads, effects of gravity loads, and loads with stresses within limits and under conditions indicated according to SEI/ASCE 7.
- 2.03.2 Exterior Door shall remain operable under design wind load, acting inward and outward.
- 2.03.3 Door shall withstand the effects of earthquake motions determined according to SEI/ASCE 7. Seismic Importance Factor 1.5
- 2.03.4 Operation cycle of overhead door and components shall not be less than 100,000 cycles.

2.04 Electric Door Operator

- 2.04.1 Electric door operator assembly of size and capacity recommended and provided by door manufacturer for door and operation cycles requirement specified, with electric motor and factory-rewired motor controls, starter, gear reduction unit, solenoid-operated brake, clutch, remote-control station, control devices, integral gearing for locking door and accessories required for proper operation.
 - 2.04.1.1 Available electric is 480Volt, three phase, 60 Hertz

- 2.04.1.2 Overload protection device which will break the power circuit and protect against damage to the motor windings shall be integral to the unit.
 - 2.04.1.3 Motor shall be intermediate duty, thermally protected, ball bearing type with a class A or better insulation.
 - 2.04.1.4 Brake shall be magnetically activated, integral within the operator's housing.
- 2.05 Limit Switches: Equip door with adjustable limit switches interlocked with motor controls and set to automatically stop door at fully opened and fully closed positions.
- 2.06 Obstruction Detection Device: Provide photo electric device capable of protecting full width of door opening. Obstruction Detection Device shall stop the door when an obstruction enters the travel path of the door.
- 2.07 Egress Door Protection: Door shall not operate if an egress door is not in the closed position.

Part 3 Execution

- 3.01 Examination
- 3.01.1 Examine surfaces and field conditions to which work is to be performed and notify PCCA Director of Engineering if conditions of surfaces exist which are detrimental to proper installation and timely completion of work.
 - 3.01.2 Verify all dimensions at job location. Notify PCCA Director of Engineering if discrepancies are found.
- 3.02 Installation
- 3.02.1 Install overhead door and operating equipment complete with necessary hardware, anchors, inserts, hangers and equipment supports according to manufacturer's written instructions and as specified.
 - 3.02.2 Install overhead door using only factory approved and certified representatives of the door manufacturer.
 - 3.02.3 Electrical installation shall comply with NFPA 70.
 - 3.02.4 Adjust door to provide uniform clearances and smooth non-binding operation.
 - 3.02.5 Adjust seals to provide weather-tight fit around entire perimeter.
 - 3.02.6 Perform startup checks according to manufacturer's written instructions using a factory authorized service representative.
 - 3.02.7 Test and adjust all safeties and controls.

3.03 Demonstration: Provide a factory authorized representative to train PCCA Engineering Department staff to adjust, operate and maintain the overhead door.

EXHIBIT C

PENNSYLVANIA CONVENTION CENTER CONTRACTOR RULES OF CONDUCT

I. PREAMBLE

The Pennsylvania Convention Center is a public facility created by the Commonwealth to benefit the general public by promoting business, industry, commerce and tourism within the City of Philadelphia and the Commonwealth of Pennsylvania. It is critically important to achieving that goal that the individuals working at the Pennsylvania Convention Center conduct themselves in accordance with the highest standards at all times. This Code of Conduct is designed to help ensure that all such individuals conduct themselves in a friendly, courteous, and respectful manner so as to reflect well on the citizens of the City of Philadelphia and the Commonwealth of Pennsylvania. Working in the Pennsylvania Convention Center facility is a privilege, not a right, and is conditioned upon compliance with this Code of Conduct.

II. APPLICATION

This Code of Conduct applies to all individuals working on the premises of any facility operated by the Pennsylvania Convention Center Authority, including employees of contractors, subcontractors, vendors, exhibitors and show management. The violation of any of the rules contained in this Code of Conduct, as determined by the Pennsylvania Convention Center Authority after an appropriate investigation, may result in the violators being barred from working at the facility, operated by the Pennsylvania Convention Center Authority.

III. RULES

A. IDENTIFICATION

All workers must wear appropriate identification when on the Pennsylvania Convention Center premises.

B. PARKING

Parking is not permitted on the Pennsylvania Convention Center loading docks or premises without the written authorization of the Pennsylvania Convention Center Authority.

C. ACCESS TO FACILITY

1. Access to Pennsylvania Convention Center facilities is a privilege which may be withdrawn from any individual who violates any provision of this Code of Conduct.
2. All workers must use only the entrance and exits designated for their use by the Pennsylvania Convention Center Authority.

3. No workers are permitted in any area of the Pennsylvania Convention Center other than their designated work area at any time during their call. Access to areas other than designated work areas is prohibited. At the completion of a call, all workers must promptly sign out and leave the premises.

D. SOLICITATION OF TIPS, GRATUITIES AND WORK

1. No one may solicit or accept tips, loans, gifts, gratuities, favors, passes, tickets, admission to any event or entertainment or any other item of value from any of the Pennsylvania Convention Center's prospective or actual customers, guests, exhibitors, licensees, clients, contractors, or suppliers of services or goods.
2. No threat, pressure or coercion may be used by any person where the object is to influence any of the Pennsylvania Convention Center's customers, users, licensees, exhibitors, clients, contractors, suppliers or attendees to use any particular vendors, products or services.

E. ACCESS TO EVENTS

No one may use their identification badge or uniform as a means of admission into any event at the Pennsylvania Convention Center, unless that person is assigned to work there at the time admission is sought. No person may stay after the completion of their working time or assignment to attend an event. No person may attend an event during their working hours.

F. ALCOHOLIC BEVERAGES AND DRUGS

1. The sale, possession use of or reporting to work under the influence of alcoholic beverages and/or illegal drugs by workers during their call on Pennsylvania Convention Center premises is strictly prohibited.
2. All individuals working on the premises of the Pennsylvania Convention Center are subject to drug and alcohol testing in accordance with the drug and alcohol policy of the Pennsylvania Convention Center Authority as may be adopted.

G. SOLICITATION

No one may solicit, sell or conduct any business on Pennsylvania Convention Center premises, unless specifically authorized to do so by the Pennsylvania Convention Center Authority.

H. POSTING OF NOTICES

The posting of any notices, signs or advertisements on Pennsylvania Convention

Center property is prohibited unless approved by the Pennsylvania Convention Center Authority.

I. THEFT OR REMOVAL OF PROPERTY

No worker may have unauthorized possession of, purchase or remove any property, from a Pennsylvania Convention Center facility, except when registered as an attendee or attending as a ticketed guest. All discarded or abandoned material at the conclusion of an event shall be the property of the Pennsylvania Convention Center.

J. NO SMOKING POLICY

Smoking is not permitted in any interior portion of the Pennsylvania Convention Center. Smoking is permitted only outside, on the ramps to Hall A and Hall C. No one smoking on the exterior premises of the Pennsylvania Convention Center may block any entrance or exit of the Pennsylvania Convention Center.

K. FIGHTING/HORSEPLAY

Disorderly conduct, including horseplay, roughhousing, fighting, threats, abusive language or shoving by any individual working on the Pennsylvania Convention Center premises is prohibited.

L. DRESS CODE

Because of the public nature of the work environment at the Pennsylvania Convention Center, everyone subject to this Code of Conduct shall be properly attired for work. Any clothing bearing vulgar or offensive symbols, pictures, signs or language is prohibited. Individuals violating this provision of the Code of Conduct shall be removed from the Pennsylvania Convention Center's premises.

M. IMPROPER TREATMENT OF EXHIBITORS, SHOW MANAGEMENT, WORKERS, PENNSYLVANIA CONVENTION CENTER EMPLOYEES OR ATTENDEES

1. Individuals working at any Pennsylvania Convention Center facility must conduct themselves in a friendly, respectful and courteous manner when dealing with any workers, show management, contractors, exhibitors, Pennsylvania Convention Center employees and visitors to the Pennsylvania Convention Center.
2. No individual working at any Pennsylvania Convention Center facility shall attempt to intimidate or harass, either verbally or physically, any workers, any member of Show Management; any Contractor, Pennsylvania Convention Center employee or any exhibitor or attendee. This specifically prohibits verbal or physical threats or abuse of another individual, including but not limited to the congregation, of one or more individuals in an area to create a show of force.

N. WEAPONS PROHIBITED

No weapons of any kind are permitted on Pennsylvania Convention Center property.

O. REPORTS TO PENNSYLVANIA CONVENTION CENTER AUTHORITY

Every individual working at the Pennsylvania Convention Center is expected to report to a Pennsylvania Convention Center representative:

1. Damage to any property or equipment.
2. Theft or unauthorized possession of any property or equipment.
3. Any unsafe condition or activity, such as ice on the sidewalks, oil on the floor, etc.
4. Any unsafe condition or activity involving shows or the public attending events, such as emergency exits being blocked or crowd control problems.
5. Any emergency, such as fire or medical emergency.
6. Any and all accidents involving physical damage to the building or equipment.
7. Any accident involving injury to any individual.

P. VIOLATIONS

Any one determined by Pennsylvania Convention Center Authority to have violated any of these rules may be ejected from and/or prohibited from working on the premises of the Pennsylvania Convention Center.

Q. NO WORK INTERRUPTION

Every individual working on the premises of any facility operated by the Pennsylvania Convention Center Authority shall honor the principal of work first and grieve later. Specifically, any disputes involving work assignments or jurisdiction by or between members of competing unions or the same union shall not result in any strikes, work slowdowns, sympathy strikes, interruptions of work, or any other job action or work stoppage of any kind, or threats of the any of the foregoing.

R. GENERAL PROVISION

1. This Code of Conduct provides general guidelines for the Pennsylvania Convention Center Authority's expectations regarding the conduct of individuals working at any Pennsylvania Convention Center facility. It is not intended to address every situation or behavior that may occur. The Pennsylvania Convention Center Authority reserves the right to impose appropriate remedial action for any inappropriate conduct not specifically covered in this Code.
2. The Pennsylvania Convention Center Authority as the owner of the Pennsylvania Convention Center is the final authority on the interpretation of this Code and on decisions relating to violations of the Code. The Authority reserves the right to alter or modify this Code of Conduct at any time.

EXHIBIT D

PCCA's Anti-Discrimination Policy

**ANTI-DISCRIMINATION POLICY for the
EXPANSION and RENOVATION**

to the

PENNSYLVANIA CONVENTION CENTER

I. INTRODUCTION

This Anti-Discrimination Policy (the "Policy"), created and implemented by the Pennsylvania Convention Center Authority (the "Authority"), shall be provided to all bidders on the Expansion and Renovation to the Pennsylvania Convention Center (the "Project"), and all contractors, subcontractors, vendors, consultants and suppliers who are engaged or otherwise contracted to perform work on the Project. The Policy shall serve as the official statement of the Authority's anti-discrimination policies at all stages of bidding and construction on the Project.

II. POLICY STATEMENT

The Authority has reviewed the Mason Tillman Ltd. Disparity Study commissioned by the Commonwealth of Pennsylvania and the Goal Setting Report, also authored by Mason Tillman Ltd. and prepared in connection with this Project and at the expense of the Authority. A copy of the Mason Tillman Goal Setting Report is attached hereto as Exhibit A. The Authority believes that Minority and Women owned construction related businesses within the five county region have been subjected to past discriminatory practices involving governmental funds, as evidenced within the Disparity Study. In addition, the Authority recognizes Philadelphia City Council's enactment of City Ordinance (Bill No. 070994-A) ("the Ordinance"), which contains an Economic Opportunity Plan, attached hereto as Exhibit B.

Exhibit A, the Mason Tillman Goal Setting Report, provides for goals of 13.48% for MBEs and 12.04% for WBEs for Contract 1, and for Contract 2¹ goals of 13.69% for MBEs and 10.69% for WBEs. Exhibit B provides for "Aspirational Participation Goals" for the General Contractor(s) and subcontractors of 35% for MBEs and 15% by WBEs. Careful attention should be given to both Exhibits A and B which the Authority has reviewed and the Authority accepts the economic objectives expressed in these documents.

The Authority's Policy contains no numeric goals. The Authority will evaluate all submissions pursuant to applicable law and determine whether the bidder has exercised "best and good faith efforts" to achieve "meaningful and substantial" participation of minority, women and disabled businesses which will be the Authority's criterion for evaluating bid Responsiveness (see Section IX). Although there are no numeric goals contained in this Policy, the Authority will undertake all lawful means to accomplish the economic objectives expressed in Exhibits A

¹ Please Note: reference to "Contract 1" and "Contract 2", in the Mason Tillman report, refers to a division of work that has been updated to include three (3) contracts as follows: Contract 1 - Superstructure, Contract 1A - Elevator/Escalator, Contract 2 - General Construction. The goals in the report that are applied to Contract 2 are also applicable to Contract 1A, as the scope of Contract 1A was formerly in Contract 2.

and B. The Authority is determined to implement this Policy to insure that there is equal opportunity in the construction of this Project.

The Authority, in confirmation and acknowledgment of its obligation under the Ordinance, renews its commitment to equal opportunity and access in its operations, programs and projects and prohibits discrimination in any manner against any employee, applicant for employment or contractor, or in engaging the services of any contractor or subcontractor, on the basis of race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law.

The Authority is implementing this Policy requiring all contractors, subcontractors, vendors, consultants and suppliers who are engaged or otherwise contracted to perform work on the Project, and all other persons and entities that benefit from the Project, to provide equal opportunity and access in employment and contracting and comply with all local, state and federal statutes, regulations and directives governing equal opportunity. To implement this Policy, the Authority requires the following:

1) The commitment of all contractors, subcontractors, vendors, consultants and suppliers on the Project to non-discrimination, equal opportunity and access through the inclusion of this Policy in all contracts in excess of \$25,000, and all contracts or subcontracts (including a purchase order to the extent it is substituted for or used as a subcontract) of a party related to the Project in any 12-month period which have an aggregate total value (or can reasonably be expected to have an aggregate total value) exceeding \$25,000, on the Project, and the inclusion of the Equal Opportunity Clause, defined below, in all contracts and subcontracts related to the Project, regardless of aggregate total value.

2) The utilization of Minority/Women/Disabled Business Enterprises ("M/W/DSBEs," defined below) in all phases of the construction of the Project in order to provide equal opportunity and access for all contractors, subcontractors, vendors, consultants and suppliers to the economic benefits of the Project. This Policy is intended to provide meaningful and substantial opportunity for all businesses and to prevent exclusionary and discriminatory business practices. The Authority is committed to fostering an environment in which all businesses are free to participate in business opportunities without the impediments of discrimination and participate in this Project on an equitable basis. To that end, the Authority will employ all lawful programs at its disposal in requests for proposals or invitations to bid on the Project.

3) Fair practices by all contractors, subcontractors, vendors, consultants and suppliers that support the Authority's commitment to fostering an environment in which all workers are free to participate in the construction of the Project without the impediments of discrimination, and effectively communicate and assure that all workers, including City of Philadelphia residents, minority, female and qualified disabled workers, will have equal opportunity and access to the economic benefits of the Project in all phases of the construction of the Project. Specifically, the Policy is intended to encourage meaningful and substantial opportunity for all minority, female, and qualified disabled workers in the construction and building trades, to require the maintenance of worksites that are free from racial, sexual, and ethnic intimidation, and to prevent exclusionary and discriminatory hiring practices by contractors, subcontractors,

vendors, consultants and suppliers. These practices are undertaken on a strictly non-discriminatory basis, and should not be interpreted as encouraging or condoning favoritism of any particular group of individuals in recruitment, hiring, training, promotion, or other employment decisions.

III. TERM

This Policy shall have full force and be in effect until construction on the Project is complete, which shall occur at such time as all contractors, subcontractors, vendors, consultants and suppliers who are engaged or otherwise contracted to perform work on the Project have completed the performance of work on the Project.

IV. DEFINITIONS

Best and Good Faith Efforts – Requires the bidder and/or Contractor to make necessary and reasonable efforts which, by their scope, intensity and appropriateness to the objective, could reasonably be expected to obtain fair representation and inclusion by M/W/DSBEs to assure equal opportunity.

City of Philadelphia Convention Center Project Oversight Committee – A committee established by the Ordinance, separate and distinct from the Authority's Oversight Committee.

Commercially Useful Function - A business performs a commercially useful function when it is responsible for execution of the work of its contract and carries out its responsibilities by actually performing, managing, and supervising the work involved.

Contractor – Each of the business entities that is awarded a prime contract for the Project.

Disabled Business Enterprise or DSBE – Means a small for-profit business concern that is at least fifty-one percent (51%) owned and controlled by one or more individuals who has a physical or mental impairment which substantially limits one or more of his or her major life activities or has a record of such impairment. Major life activities shall mean functions, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

Discrimination – Any action or pattern of prejudice, intolerance, exclusion or unequal treatment because of or on the basis of race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law.

Disparate Impact – Means an adverse effect of a practice or standard that is neutral and non-discriminatory in its intention but, nonetheless, disproportionately affects individuals based on their race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law.

Equal Opportunity Clause - Means the contractual obligation, as stated in this Policy, that all contractors, subcontractors, vendors, consultants and suppliers agree to follow and include in any and all contracts entered into in connection with the Project.

Meaningful and Substantial – Means a level of participation of minority, women and disabled businesses that represents the fair and robust use of such businesses in a competitive marketplace that is unimpeded by discrimination or business practices having a disparate impact on such businesses.

Minority – A person who is a citizen of the United States who is an African American, Hispanic American, Native American, Asian-Pacific American or Asian-Indian American.

Minority Business Enterprise or MBE – Means a small for-profit business concern that is at least fifty-one percent (51%) beneficially owned by and controlled by one or more individuals who are minority.

M/W/DSBE – Refers collectively to minority, women, and disabled business enterprises as each is defined herein. As discussed further in Section VIII., only business enterprises certified as meeting one of these definitions and verified by the Authority pursuant to the standards set forth in Section VI. shall be eligible for credit toward evaluation of bidder's responsiveness set forth in Section IX.

Small Business Concern – A business in the United States which is independently owned, is not dominant in its field of operation and employs no more than the maximum number of employees established by 62 Pa.C.S. § 2102.

Subcontractor: An individual, company or business entity hired by a Contractor to perform a specific task as part of the overall Project.

Supplier: An individual, company or business entity that provides or delivers materials, components, goods, or services to a Contractor or Subcontractor. May also be referred to as a vendor.

Women Business Enterprise or WBE – Means a small for-profit business concern that is at least fifty-one percent (51%) beneficially owned by and controlled by one or more women.

V. EQUAL OPPORTUNITY OBLIGATION

A. Contractors, subcontractors, vendors, suppliers and consultants who are engaged or otherwise contracted to perform work on the Project (collectively as used in this section, "Contractor") are contractually obligated and bound as a matter of responsibility, to the following Equal Opportunity Clause which shall be contained in all contracts entered into in connection with the Project:

1. During the performance of this contract, the Contractor agrees as follows:
 - a) The Contractor will not discriminate against any worker or applicant for work because of race, color, religion, gender/sex, national origin,

ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law. The Contractor will take positive steps to ensure that applicants are employed, and that workers are treated during employment, without regard to their race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law. Such steps shall be taken in areas including, but not be limited to, the following: employment, upgrading, demotion, suspension or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to workers and applicants for work, notices to be provided setting forth the provisions of this Equal Opportunity Clause;

b) The Contractor will effectively communicate the availability of any and all employment opportunities to qualified workers, including minority, female and disabled workers, and in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state expressly that 'all qualified applicants, including minority, female and qualified disabled workers, are encouraged to apply,' and that 'all qualified applicants, including minority, female and qualified disabled workers, will be considered for employment without regard to race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law;

c) The Contractor will endeavor to maintain a work site free of racial, sexual or ethnic intimidation. Contractor will prohibit the display, use or dissemination of any paraphernalia, article, or other item which conveys or can be reasonably perceived as a form of racial, sexual or ethnic intimidation. Contractor shall take immediate corrective action against any employee or worker who engages in any conduct, including verbal conduct, which conveys or is reasonably perceived as racial, sexual or ethnic intimidation. Contractor shall maintain a process for reporting intimidation and for the expeditious redress of worker grievances related to racial, sexual and ethnic intimidation. Contractor shall communicate reported intimidation to the Authority immediately upon learning of the incident.

d) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the Contractor's commitments under this Policy, and shall post copies of this Equal Opportunity Clause in conspicuous places available to employees and applicants for employment.

e) The Contractor will comply with all provisions of the Authority's Policy, as amended by the Authority from time to time and as interpreted by the Authority, and all applicable law.

f) The Contractor will furnish all information and reports required by the Authority, and will permit access to the Contractor's books, records, and accounts by the Authority for purposes of investigation to ascertain compliance with this Policy and the Authority's rules, regulations, and orders.

g) The Contractor agrees that in the event of the Contractor's noncompliance with the Policy, its contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Authority contracts, or subject to such other remedies invoked as may be permissible under applicable law.

h) The Contractor agrees to include the provisions of this Equal Opportunity Clause, (1) a. through i., in every subcontract or purchase order, so that such provisions will be binding upon each subcontractor or vendor. In the event a purchase order is used in lieu of a subcontract, a letter, incorporating this Policy by reference and confirming that the Contractor agrees to be bound by this Policy in the performance of services or supply effort, must be submitted in addition to the purchase order. The Contractor will take such action with respect to any subcontract or purchase order, to the extent that a purchase order is substituted for or used as a subcontract, as the Authority may direct as a means of enforcing such provisions, including remedies for noncompliance. The Contractor agrees that it will assist and cooperate actively with the Authority in obtaining the compliance of contractors and subcontractors with the Policy, that it will furnish to the Authority such information as the Authority may require for the supervision of such compliance, and that it will otherwise assist the Authority in the discharge of the Authority's primary responsibility for securing compliance.

i) In the event of a breach of the equal opportunity obligations, the Authority shall provide written notice to the Contractor, describing its noncompliance with this Equal Opportunity Obligation and stating Authority's intent to declare the Contractor in default and/or cancel, terminate, suspend, or declare the Contractor ineligible from future Authority contracts. The Contractor will be provided seven (7) days from the date of said notice to take affirmative steps to cure its noncompliance cited, or begun to be cured, within seven (7) days of the Contractor's receipt of such notice. If the Contractor fails to cure, or reasonably commences to cure, such problem, then the Authority may give a second written notice to the Contractor notifying the Contractor of the effective date of the default, cancellation, termination, suspension, or ineligibility declaration, within an additional seven (7) day period and impose such

lawful remedies which shall be deemed cumulative and concurrent. The Contractor may file a written appeal of the Authority's determination with the Oversight Committee of the Authority within forty-eight (48) hours of the date of notification. The recommendation of the Oversight Committee may be appealed within forty-eight (48) hours of the Date of the Oversight Committee's recommendation to the Authority's Board of Directors. The decision of the Authority's Board of Directors shall be final.

VI. CERTIFICATION POLICY

- A. In order to be counted in the Authority's evaluation of the Contractor's responsiveness to this Policy, the Authority will, or through an agent of the Authority, verify that the entity(ies) identified by the Contractor to participate in the contract is an MBE or WBE certified, at the time of bid opening, by the Commonwealth of Pennsylvania's Department of General Services, Bureau of Minority and Women Business Opportunities (BMWBO), or a DSBE certified by another government-operated certification program. M/W/DSBEs participating in contract opportunities in connection with this Project shall agree, which agreement shall be affirmatively stated in the contracts evidencing such participation, to waive on behalf of the Authority or its agent, any confidentiality relating to its certification, including, without limitation, tax records and statements of personal net worth.
- B. The Authority, in its sole discretion, may count an M/W/DSBE that is currently certified by another local, state or federal government-operated certification program which employs standards equal to those of the Department of General Services which ensure that businesses so certified are beneficially owned and controlled in both form and substance by minorities, women or disabled persons.
- C. M/W/DSBEs participating in contract opportunities in connection with this Project agree to maintain certification throughout the term of the contract by complying with certifying agency requests for recertification and No Change Affidavits. The Authority will require each M/W/DSBE to submit to the Authority its most current Affidavit of No Change.

VII. CONTRACT REQUIREMENTS

A. **Anti-Discrimination Policy.**

1. *Requirement of all contracts.* This Policy, shall apply to and shall be a part of, all contracts and subcontracts, including all construction contracts and subcontracts, related to the Project, which have an aggregate total value (or can reasonably be expected to have an aggregate total value) exceeding \$25,000. In the event a purchase order is used in lieu of a subcontract, a letter, incorporating this Policy by reference and confirming that the Contractor agrees to be bound by this Policy in the performance of services or supply effort, must be submitted in addition to the purchase order.

2. *Incorporation by reference.* This Policy shall be incorporated by reference in all contracts and subcontracts. Notwithstanding the foregoing, the Equal Opportunity Clause shall be included in all contracts, subcontracts and purchase orders related to the Project, regardless of aggregate total value.

3. *Incorporation by operation of the Policy.* By operation of this Policy, the Policy shall be considered to be a part of every contract and subcontract related to the Project as required by the Policy, and the requirements of the Policy to include such a clause, whether or not it is physically incorporated in such contracts and whether or not the contract is written.

4. *Adaptation of language.* Such necessary changes in language may be made in the Policy and/or the Equal Opportunity Clause as shall be appropriate to identify properly the parties and their undertakings.

B. Equal Opportunity and Access

1. *Non-Discrimination.* The Contractor shall not use the requirements of this Policy or the efforts required in compliance with this Policy to discriminate against any person because of race, color, religion, gender/sex, national origin, ancestry, age, marital or veteran status, medical condition, disability, sexual orientation, citizenship, or any other status protected by law.

a) *Cooperation with Remedies for Non-Compliance.* The Contractor shall carry out remedies to cure violations of this Policy including suspension, termination and cancellation of existing subcontracts, as such remedies may be ordered by the Authority. Any Contractor who fails to carry out such remedies shall be in violation of this Policy. Notwithstanding the foregoing, the Authority's failure to enforce remedies against the Contractor or to recommend the imposition of remedies by the Contractor against any subcontractor, supplier, or vendor shall not give rise to actions by third parties including any M/W/DSBEs participating in the Project.

b) *Failure of Equal Opportunity and Access Efforts.* The Contractor, in fulfilling its obligations under this Policy, shall implement specific steps, at least as extensive as those standards prescribed in this Policy, so as to achieve maximum results from its efforts to ensure equal opportunity and access on the Project. If the Contractor fails to comply with the requirements of this Policy, or further requirements by the Authority in this regard, the Project Executive shall proceed in accordance with Section XII.

VIII. M/W/DSBE PARTICIPATION

This Project contains seventeen (17) categories of work:

- Heating, Ventilation and Air Conditioning

- Metals
- Concrete
- Electrical
- Finishes
- Masonry
- Openings
- Earthwork
- Thermal and Moisture Protection
- Plumbing
- Conveying Equipment
- Fire Suppression
- Specialties and Equipment
- Woods, Plastics and Composites
- Exterior Improvements
- Utilities
- Furnishings

For a detailed description of each category of work, see Exhibit C attached hereto.

For this Project, bidders shall make Best and Good Faith Efforts to obtain Meaningful and Substantial Participation of M/W/DSBEs, to the extent of their availability, in each of the seventeen (17) areas identified above, as applicable to the bidder's bid, at all tiers of contracting.

A. Counting Participation

1. Only M/W/DSBEs that are verified by the Authority will be credited toward the participation goals. The Authority may provide a list of the names, addresses, and telephone numbers of bona fide M/W/DSBEs that are available for contracting or hiring opportunities in the Philadelphia Market.
2. If a firm is determined by the Authority to be an eligible M/W/DSBE, the total dollar value of the contract awarded to the M/W/DSBE is counted toward the applicable M/W/DSBE goal to the extent provided below:

B. Counting Joint Ventures

Count toward the M/W/DSBE goal only that portion of the total dollar value of a contract with a joint venture equal to the percentage of M/W/DSBE ownership and control in the joint venture. The M/W/DSBE joint venture partner must be responsible for a clearly defined portion of the work and must share in the risks and profits of the joint venture commensurate with its ownership interest in the joint venture. Any joint ventures shall be memorialized in writing and are subject to the Authority's approval.

C. Commercially Useful Function Explained through Example

Count toward the M/W/DSBE goal only expenditures to M/W/DSBEs that perform a commercially useful function in the work of a contract. An M/W/DSBE is considered to perform a commercially useful function when it is responsible for execution of a distinct element of the work of a contract and carrying out its responsibilities by actually performing, managing and supervising the work involved. To determine whether an M/W/DSBE is performing a commercially useful function, the Authority will evaluate the amount of work subcontracted, industry practices, and other relevant factors. Where a M/W/DSBE does not perform or exercise responsibility for at least 30% of the total cost of its contract with its own work force or the M/W/DSBE subcontracts a greater portion of the work of the contract than would be expected on the basis of normal industry practice for the type of work involved, the M/W/DSBE shall be presumed not to be performing a commercially useful function. When a M/W/DSBE subcontracts part of the work of its contract to another firm, the value of the subcontracted work may be counted toward the M/W/DSBE goal only if the M/W/DSBE's subcontractor is itself a M/W/DSBE. Work that an M/W/DSBE subcontracts to a non-M/W/DSBE firm does not count toward M/W/DSBE goal.

D. Regular Dealer versus Manufacturer

Count toward the M/W/DSBE goal sixty percent (60%) of expenditures for materials and supplies required under the contract and obtained from an M/W/DSBE regular dealer and count towards the M/W/DSBE goal one hundred percent (100%) of expenditures to an M/W/DSBE manufacturer:

1. An M/W/DSBE manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies obtained by the contractor.
2. An M/W/DSBE regular dealer is a firm that owns, operates, or maintains a store, warehouse or other establishment, in which the materials or supplies required for the performance of the contract are bought, kept in stock and regularly sold to the public in the usual course of business. An M/W/DSBE regular dealer is a firm that engages in, as its principal business and in its own name, the purchase and sale of the products in question. An M/W/DSBE regular dealer in such bulk items as steel, cement, gravel, stone and petroleum products need not keep such products in stock, if it owns or operates distribution equipment. M/W/DSBE brokers and M/W/DSBE packagers shall not be regarded as M/W/DSBE manufacturers or M/W/DSBE regular dealers within the meaning of this paragraph.

3. Count services performed by an M/W/DSBE that are readily identifiable to the project.

4. Count toward the M/W/DSBE goal the following expenditures to M/W/DSBE firms that are not M/W/DSBE manufacturers or M/W/DSBE regular dealers:

a) Giving Brokers Limited Credit

The fees or commissions charged for providing a BONA FIDE service, such as professional, technical, consultant or managerial services and assistance in the procurement of essential personnel, facilities, equipment, materials, or supplies required for performance of the contract, provided that the fee or commission is determined to be reasonable and not excessive as compared with fees customarily allowed for similar services.

b) Trucking Rules

The fees charged for delivery of materials and supplies required on a job site (but not the cost of the materials and supplies themselves) when the M/W/DSBE hauler, M/W/DSBE trucker, or M/W/DSBE delivery service is not also the M/W/DSBE manufacturer of or a M/W/DSBE regular dealer in the materials and supplies, provided that the fee is determined to be reasonable and not excessive as compared with fees customarily allowed for similar services. In addition, the fees and associated charges for debris removal and hauling of materials away from the job site, provided that the fee is determined to be reasonable and not excessive as compared with fees customarily allowed for similar services.

The following factors are used in determining M/W/DSBE credit for M/W/DSBE Trucking Firms:

- The M/W/DSBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract, and there cannot be a contrived arrangement for the purpose of meeting M/W/DSBE goals.
- The M/W/DSBE must itself own and operate at least one fully licensed, insured, and operational truck used on the contract.
- The M/W/DSBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.
- The M/W/DSBE may lease trucks from another M/W/DSBE firm, including an owner-operator who is a certified M/W/DSBE. The M/W/DSBE who leases trucks from another M/W/DSBE receives credit for the total value of the transportation services the lessee M/W/DSBE provides on the contract.

- The M/W/DSBE may also lease trucks from a non- M/W/DSBE firm, including an owner-operator. The M/W/DSBE who leases trucks from a non-M/W/DSBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The M/W/DSBE does not receive credit for the total value of the transportation services since these services are not provided by an M/W/DSBE.

- For purposes above, a lease must indicate that the M/W/DSBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the M/W/DSBE, so long as the lease gives the M/W/DSBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the M/W/DSBE.

E. In order to maximize the opportunities for as many businesses as possible, an M/W/DSBE that is certified in two or more categories will only be credited toward one participation goal as an MBE, WBE or DSBE. Bidders will note which category, MBE, WBE, or DSBE, is submitted for credit.

F. An M/W/DSBE submitting as the prime bidder will receive credit toward the participation goals only in the bidder's respective certification category and to the extent of the bidder's own work or supply effort. In addition, the participation of an M/W/DSBE partner, as part of a Joint Venture created for this bid, may be credited to the extent of the partner's ownership interest in the joint venture in accordance with the following criteria:

1. The M/W/DSBE partner(s) must be verified by the Authority;
2. The M/W/DSBE partner(s) must derive substantial benefit from the arrangement;
3. The M/W/DSBE subcontractors must be substantially involved in all phases of the contract including bidding, planning, staffing and daily management;

The business arrangement must be customary (i.e. each partner shares in the risk and profits of the joint venture commensurate with their ownership interest, contributes working capital and other resources, etc.)

G. M/W/DSBE subcontractors must perform work accounting for at least seventy-five percent (75%) of the cost of the subcontract with their own employees, provided that the M/W/DSBE subcontractor is also a business that performs a commercially useful function when it is responsible for execution of the work of its contract and carries out its responsibilities by actually performing, managing, and supervising the work involved.

IX. RESPONSIVENESS

- A. The apparent low bidder is required to submit evidence of its Best and Good Faith Efforts, which includes its solicitation of and commitments with M/W/DSBEs, to the Authority by 5:00 PM, prevailing local time, within two (2) business days after bid opening. If the required documentation is not received within the time period prescribed herein, the bid will be rejected and the apparent next lowest bidder will be notified to submit its documents within the two (2) business day period.
- B. Bidder shall use the form entitled "Best and Good Faith Efforts Form" ("BGFE Form"), attached hereto as Exhibit D, to show its solicitations, commitments and Best and Good Faith Efforts. A responsive submission is one in which the bidder demonstrates to the satisfaction of the Authority that it has made Best and Good Faith Efforts to achieve meaningful and substantial participation of MBEs, WBEs and DSBEs in each work or supply area of its bid. Bidder is required to identify, as directed in the BGFE Form, all of the MBE(s), WBE(s) and DSBE(s) that bidder has agreed will perform elements of its bid, detailing the work or supply effort as it relates to a distinct element of the bid. For each committed M/W/DSBE, bidder must attach to the BGFE Form a letter of intent or some other legally binding expression of bidder's intent to enter into a contract with the identified firm. The Authority reserves the right to confirm any and all commitments and solicitations of M/W/DSBEs. If the bidder or a non-M/W/DSBE has entered into a Joint Venture with any M/W/DSBE, the joint venture agreement must be submitted at the time for submission for review and approval by the Authority. The Authority, at its sole discretion, reserves the right to allow bidder to submit additional information, after the time for submission at any time prior to award, solely for the purpose of clarifying or explaining its M/W/DSBE participation arrangements and Best and Good Faith Efforts
- C. The sufficiency of bidder's Best and Good Faith Efforts will be evaluated by the Authority in consideration of this Policy. For example, where the Bidder is unable to obtain M/W/DSBE participation in a particular work or supply area of its bid, the bidder must show that it exhausted Best and Good Faith Efforts to allocate that work or supply effort to M/W/DSBEs and explain why those efforts were unsuccessful given the availability of MBEs, WBEs and DSBEs to participate meaningfully in this Bid. The fact that there may be some additional costs involved in finding and using MBEs, WBEs and DSBEs is not in itself sufficient reason for a bidder's failure to use M/W/DSBEs in its bid, as long as such costs are reasonable given the capacity and experience of the firm. Also, the ability or desire of a bidder to self perform the work of a contract with its own workforce does not relieve the bidder of its responsibility to make Best and Good Faith Efforts to achieve Meaningful and Substantial participation in its bid. Failure to accept an M/W/DSBE as being unqualified without sound reasons based on a thorough investigation of their capabilities is not acceptable
- D. The following, while not exhaustive, are examples of Best and Good Faith Efforts:

1. Evidence that the bidder has made commitments to use MBEs, WBEs and DSBEs in its bid and has made efforts to solicit through all reasonable and available means the interest of M/W/DSBEs who have the capability to perform the work of the bid. Such efforts include the use of networking at pre-bid meetings, advertising in minority focused publications, and written mailings to certified M/W/DSBEs. Bidder must determine with certainty if the M/W/DSBEs are interested by taking appropriate steps to follow up on initial solicitations; one time contact, without any follow up, is not a Best and Good Faith Effort;
 2. Efforts made to allocate a category of work to an M/W/DSBE even when the bidder might otherwise prefer to perform that work with its own forces;
 3. Evidence that bidder has provided interested M/W/DSBEs with adequate information about the plans, details, specifications, and requirements of the contract in a timely manner and to assist them in responding to a solicitation. Assistance may include estimating support;
 4. Efforts to assist interested M/W/DSBEs in obtaining any necessary licensure, obtaining lines of credit, mobilization funds, providing access to labor unions, manufacturer training, access to major suppliers, necessary equipment, materials, or related assistance or services required for the performance of the bid;
 5. Efforts made to negotiate in good faith with interested M/W/DSBEs. A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including M/W/DSBE subcontractors, and would take a firm's price and capabilities as well as the objectives of the Authority's Anti-Discrimination Policy into consideration;
 6. Efforts to provide an appropriate balance of commitments with certified MBEs, WBEs and, to the extent available, DSBEs; commitment in only one certification category (e.g., MBE only or WBE only or DSBE only) is **not** an expression of Best and Good Faith Efforts
- E. If the Authority determines that the apparent low bidder has not made Best and Good Faith Efforts to provide for the Meaningful and Substantial participation of M/W/DSBEs in its bid, the bidder will be notified of the determination and may file a written appeal with the Oversight Committee of the Authority within forty-eight (48) hours of the date of notification. The recommendation of the Oversight Committee may be appealed within forty-eight (48) hours of the Date of the Oversight Committee's decision to the Authority's Board of Directors. The decision of the Authority's Board of Directors shall be final. If it is determined that the apparent low bidder did not make Best and Good Faith Efforts, its bid will be rejected and the next apparent low bidder will be notified to submit its evidence within two (2) business days of notification.

X. RESPONSIBILITY

- A. Upon award, the BGFE Form and any other accompanying documents regarding solicitation and commitments with MBEs, WBEs and DSBEs become part of the contract and represent the awarded Contractor's legally binding commitment to use the committed M/W/DSBEs in the percentage/dollar amount and for the work/supply effort specified. Throughout the term of the contract, Contractor is required, as a matter of its responsibility, to continue to use its Best and Good Faith Efforts.
- B. When additional work/supply is required for any category of work or supply effort which is identified for a commitment on the Best and Good Faith Efforts Form, all of this additional work/supply effort will be performed by the same M/W/DSBE unless the M/W/DSBE submits, in writing, that he/she cannot perform the work/supply effort due to his/her own capacity.
- C. Contractor, consistent with Article 2 of the Agreement, "Payments and Completion", shall promptly pay its M/W/DSBE subcontractors for work satisfactorily performed under the contract. In connection with payment of its M/W/DSBE subcontractors, Contractor agrees to fully comply with the GPUAC which will monitor subcontractor payments and establish a reporting process.
- D. If the Authority determines that the bidder has discriminated against a M/W/DSBE at any time during the term of the contract, the Authority may avail itself of the remedies under the contract, including default, cancellation, termination, suspension, and potential debarment of the bidder from submitting and/or participating in future Authority contracts for a period of up to three (3) years.

XI. MONITORING

A. M/W/DSBE Compliance Plan

1. Immediately upon notice of award, the Contractor agrees to provide an M/W/DSBE Compliance Plan ("the Compliance Plan"), subject to approval by the Authority, that describes the amount of participation by the respective M/W/DSBEs. The Compliance Plan will also include a cash flow report that provides the estimated amounts per month to be accrued to each respective M/W/DSBE, and further describes when, in the project schedule, that work is performed on the Project. In addition, copies of all subcontracts and purchase orders of the respective M/W/DSBEs participating on the project must be supplied in advance of the work performed by M/W/DSBEs in accordance with the cash flow report described above.

2. If the Contractor fails to achieve the expected participation by M/W/DSBEs in any month, based upon the Compliance Plan prepared by the Contractor and the information provided on the Best and Good Faith Efforts Form, then the Authority has the right to withhold the percentage of participation by M/W/DSBEs that the Contractor failed to achieve in the previous month from the

Contractor's payments, provided that the work in question is not disputed or otherwise non-conforming. These monies may be withheld until such time as the participation by M/W/DSBEs is commensurate with the amount set forth in the Compliance Plan.

3. The Contractor with the submission of each monthly invoice must document the work awarded to M/W/DSBEs and non-M/W/DSBEs, noting the type of work and amount of each contract executed with each M/W/DSBE and non-M/W/DSBE, and including the execution date of each contract; and the amount paid to each M/W/DSBE and each non-M/W/DSBE during the month and the amount paid to date for such work. In the event the actual amount paid to the M/W/DSBE is less than the amount originally awarded to the M/W/DSBE, or in an amount less than projected in the Compliance Plan, the Contractor shall provide a complete explanation of the difference for review by the Authority.

B. Subcontracts

In conjunction with Article 5 of the General Conditions of the Construction Contract, the successful bidder must submit any Subcontract which is intended to be used towards the satisfaction of the successful bidder's participation commitments to the Authority. The Authority will verify the certification status of the subcontracting M/W/DSBE in accordance with Section V, set forth above.

C. Access to Information

The Authority shall have the right to make site visits to the bidder's place of business and/or job site and obtain documents and information from any bidder, subcontractor, supplier, manufacturer or contract participant that may be required in order to ascertain bidder responsibility. Failure to cooperate with the Authority in its review will result in a determination that the bidder's bid is nonresponsive and its bid will be rejected.

D. Records and Reports

The Contractor shall maintain all books and records relating to its M/W/DSBE commitments for a period of at least three (3) years following acceptance of final payment. These records shall be made available for inspection by the Authority and/or other appropriate Commonwealth officials.

E. The Authority will establish a City of Philadelphia Convention Center Project Oversight Committee that will engage in monitoring, reporting, and problem solving activity.

XII. REMEDIES

The successful bidder's compliance with the requirements of this Policy, including the fulfillment of any M/W/DSBE commitments and the incorporation of the Policy into all contracts and subcontracts related to the Project, is material to the contract between the successful bidder and the Authority. Any failure to comply with these requirements constitutes a

substantial breach of the contract. It is further understood and agreed that in the event the Authority determines that the successful bidder hereunder has failed to comply with these requirements, the Authority may, in addition to any other rights and remedies the Authority may have under the contract, any bond filed in connection therewith, or at law or in equity, impose remedies, as applicable, on the bidder. Remedies for breach of this Policy may include termination, suspension, a declaration of default, penalties, cancellation of the contract and/or debarment from future contracting opportunities with the Authority. The remedies enumerated herein are for the sole benefit of the Authority and the Authority's failure to enforce any provision or the Authority's indulgence of any non-compliance with any provision hereunder, shall not operate as a waiver of any of the Authority's rights in connection with any contract resulting from this Invitation and Bid nor shall it give rise to actions by any third parties including identified M/W/DSBE subcontractors.

The M/W/DSBE percentage commitments are to be maintained throughout the term of the contract and shall apply to the total contract value (including approved change orders and amendments). Any change in commitment, including but not limited to substitutions for identified M/W/DSBEs, changes or reductions in the work and/or listed dollar/percentage amounts, must be approved in writing by the Authority. Failure to adhere to this requirement shall be a substantial breach of the contract. If the failure to adhere to this requirement is found to be the result of discrimination, the Contractor may be deemed to be "not responsible" for purposes of this contract and future contracts.

ANTI-DISCRIMINATION POLICY
EXHIBIT A
MASON TILLMAN GOAL SETTING REPORT

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GOAL SETTING REPORT

The Pennsylvania Convention Center Authority (Authority) asked Mason Tillman Associates, Ltd. (Mason Tillman) to develop a factual predicate to establish goals for the Pennsylvania Convention Center Expansion Project (Project). The Project will be developed and constructed by the Authority. The funding source for the construction comes from the General Assembly of Pennsylvania. Under the Act of June 22, 2004, No. 40 (Act No. 40 of 2004), the Pennsylvania General Assembly allocated \$400 million in capital funds for the Project. Act No. 40 of 2004 permits the Department of General Services (DGS) to delegate the design and construction of the Project to the Authority. Under the Act of July 7, 2006, No. 83 (Act No. 83 of 2006), the Pennsylvania General Assembly allocated an additional \$300 million in capital funds for the Project, including furniture, fixtures and equipment, land acquisition, renovation and construction.

DGS has agreed to delegate to the Authority the performance of Construction Phase Activities, subject to the provisions and limitations of Act No. 40 of 2004 and the Delegation Agreement which was provided to Mason Tillman Associates, Ltd. in draft form. The Draft Delegation Agreement provides in Article 2(b) that "[i]n accordance with Section 27(c) of Act No. 40 of 2004, DGS hereby delegates to the Authority the right and duty to perform or arrange for the performance of Construction Phase Activities for... the Project." Given these facts, Mason Tillman concludes that the Project is funded by the Commonwealth and that the factual predicate required for the Authority to establish minority and woman-owned business enterprise goals are most reasonably derived from the Commonwealth's Disparity Study Findings.

This report also describes the procedure used to set minority and woman-owned business enterprise (MBE/WBE) goals, and the legal standard for the Commonwealth's disparity study, upon which the goal setting method was based. In addition, recommendations for monitoring compliance with the established goals are outlined.

I. PENNSYLVANIA CONVENTION CENTER PROJECT OVERVIEW

The Pennsylvania Convention Center is operated by the Authority. It is located in Philadelphia and serves as a multi-use public facility. The Convention Center has been a key element in the economic revitalization of Philadelphia since it opened its doors in 1993. The Convention Center hosts convention meetings, trade shows, exhibitions, and other public events. It has created over 50,000 jobs in the hospitality industry and generates an annual economic impact of three billion dollars (\$3,000,000,000) in Philadelphia alone, and eight billion dollars (\$8,000,000,000) in the region.¹

The Authority proposes to nearly double the size of the Pennsylvania Convention Center, with the resulting property encompassing over two million square feet (2,000,000 sq. ft), making the expansion the largest contiguous exhibit space in the Northeast. The Project will increase facilities for exhibits, meetings, and banquets, as well as make overall renovations and improvements of the current space. The Project will allow Philadelphia to host larger conventions, and also host multiple events at the same time. The Authority expects the expanded facility to increase the competitiveness of the Convention Center, which would greatly benefit the surrounding area and greater Philadelphia through increased tax revenues and job opportunities, as well as, the use of surrounding hotels, retail outlets, and restaurants.

The Authority anticipates that the Project will be completed in 2009. The construction prime contract will be advertised in the Fall of 2007 and the hiring of subcontractors will be ongoing throughout the duration of the Project.

II. THE NEXUS BETWEEN THE COMMONWEALTH AND THE AUTHORITY

The following section details the formation of the Authority as a Commonwealth entity. The relationship between the Commonwealth and the Authority is demonstrated through the funding and oversight of the Project. These key elements demonstrate the nexus between the Commonwealth and the Authority, which is the critical condition for the decision to use the goal setting method described in this report.

¹ "Why Bigger Means Better." *Pennsylvania Convention Center*. 2007. Pennsylvania Convention Center Authority. 8 June 2007. <<http://www.paconvention.com/exp/whyexpand.asp>>.

A. Description of the Authority

In 1986 Representative Dwight Evans sponsored Act 3-2004 which established the Pennsylvania Convention Center Authority (Authority). The Authority was created to establish and fund a convention center located in Philadelphia. The Pennsylvania Convention Center opened its doors in June 1993. According to the enacting legislation, the Convention Center would be under the guidance of a board of directors that would oversee the daily operations and serve as a liaison between the Convention Center and the Commonwealth. Furthermore, the legislation mandates that appropriations to the Authority from the Commonwealth would be conditional on the establishment and completion of a managerial audit, code of conduct, customer service dispute resolution mechanism, and customer satisfaction measuring system.

The board of directors which oversees the Authority has 15 members, and two non-voting ex-officio members. The Board is comprised of two members appointed by the Office of the Governor, four appointed by the Legislature, two from the Office of the Mayor of Philadelphia, two appointed by the Philadelphia City Council, and one appointed by each board of county commissioners or county council for Bucks, Chester, Delaware, and Montgomery Counties.

B. Project Funding Source

On June 22, 2004, the Pennsylvania General Assembly allocated \$400 million in capital funds for the Pennsylvania Convention Center Expansion Project. On November 2, 2005, the Governor's Office of the Budget agreed to release \$16 million to commence pre-construction activities. In July 2006, the General Assembly approved the allocation of \$300 million in additional funds for the project, making the Project budget \$700 million.

The Governor's Office of the Budget has accepted the budget of \$700 million and declared a limit of \$715 million for Project expenses.

The conditions under which these funds were made available to the Authority are stipulated in the draft Delegation Agreement between the Commonwealth and the Authority. The Commonwealth also has control over the Authority's independent acquisition of funds. In the event the Authority receives funds from a source other than the Commonwealth, the Commonwealth has the right to independently approve or disapprove of proposed uses for the funds.

C. Project Management and Oversight

Under the State Legislature and *Commonwealth Procurement Code*, 62 Pa. C.S. §101 et. seq, the Department of General Services (DGS) is authorized to design and construct capital projects with the exception of bridges, highways, dams, airports (except vertical

construction), railroads, facilities and improvements by the Department of Conservation and Natural Resources in state parks and state forests, and construction activities, excluding buildings, solely within the expertise of the Department of Environmental Protection. The DGS has delegated the responsibility of the Project to the Authority. While the Authority is authorized to manage the construction, the Commonwealth retained the responsibility for project oversight and fiscal control, as stipulated in the most recent draft Delegation Agreement. The Project is financially supported by capital funds allocated by the General Assembly of Pennsylvania and delegated by the DGS to the Authority to construct the expansion building.

As stipulated in the draft Delegation Agreement, the Authority is in charge of the design and construction of the Convention Center. The Authority has the responsibility of managing the Construction Phase Activities which include organizing the design and budgeting of construction activities. The Authority will also prepare bid documents to be submitted to the DGS for review prior to bid letting. The Governor's Office of the Budget must approve Construction Phase Activities before work can begin.

As set forth in Section (3)(1)(c) in the most recent draft Delegation Agreement, the Authority shall keep the Commonwealth fully informed of the ongoing status and progress of Construction Phase Activities. Furthermore, in order to maintain control, the Authority must provide the Commonwealth access to the construction schedules and documents, cost estimates, and facilities. The key employees and vendors selected by the Authority must be approved by the Commonwealth. Furthermore, the Commonwealth may direct the Authority to effect the removal, for cause, of any key staff or vendor without the consent of the Authority.

As a Commonwealth funded project, the Authority is obligated to implement procedures that ensure the equitable participation of MBE/WBEs based upon the Commonwealth Disparity Study Findings.

III. COMMONWEALTH DISPARITY STUDY

The factual predicate required for the Authority to establish minority and woman-owned business enterprise goals was derived from the Commonwealth's Disparity Study Findings.

The legal requirements for the Commonwealth's Disparity Study are outlined below, as well as the application of the Disparity Study's findings to the goal setting method used for the Project.

A. Background

On April 15, 2004, Governor Edward G. Rendell issued *Executive Order 2004-6* after the finding that the level of participation by MBE/WBEs in the Commonwealth's procurement of supplies, services, and construction averaged only two percent of the total dollars spent by the Commonwealth. *Executive Order 2004-6* authorized the Commonwealth to take steps not only to prevent discrimination against but also increase the Commonwealth's contract participation rate with MBE/WBEs and other similarly disadvantaged businesses.

In an effort to determine if there was a statistically significant underutilization of MBE/WBEs as evidenced in the contract participation rate, the Commonwealth commissioned a disparity study in June 2006. The Disparity Study measured the utilization of MBE/WBEs in building construction and design contracts awarded by the DGS.

B. The Legal Requirement for a Disparity Study

The United States Supreme Court's 1989 decision, *City of Richmond v. J.A. Croson Co.*² (*Croson*) is the controlling legal precedent which sets forth the guidelines for lawful minority and women business programs enacted by state agencies and local governments. *Croson* adopted a strict scrutiny standard for testing the legality of race-conscious affirmative action programs. The strict scrutiny standard consists of a two-prong analysis.

First, the government must demonstrate a compelling governmental interest in using race-conscious criteria in the awarding of contracts. The basis of the compelling interest may be met in one of two forms:

- (a) discrimination that the government itself has engaged in that has resulted in the underutilization of ready, willing, and able MBE/WBEs in government contracts; or
- (b) discrimination that the government passively participates in by infusing tax dollars into the private sector which engages in discriminatory practices.³

Secondly, the government must demonstrate that its MBE program is narrowly tailored to address the effects of the identified discrimination. Contract specific goal setting is a means of ensuring that the application of the remedy is narrowly tailored to the identified discrimination. The most narrowly tailored race-specific remedy is one that derives its goals from the businesses currently available in the market area to perform the specific type

²*City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

³*Croson*, 488 U.S. at 492; *Coral Construction*, 941 F.2d at 916.

of work to be awarded. Contract specific goal setting in its narrow tailored form also minimizes the burden on the non protected classes.

C. The Components of a Disparity Study

The strict scrutiny standard as set forth in *Croson* requires a disparity study. *Croson* and related case law provide the legal framework for conducting a disparity study. The legal

**Disparity Study:
Critical Components**

1. Utilization Analysis
2. Market Area Identification
3. Availability Analysis
4. Disparity Analysis
5. Anecdotal Evidence
6. Recommendations

framework has six critical components. The **first step** is to collect utilization records and determine the extent to which the Authority has used minority, woman-owned, and other businesses to secure its needed goods and services. Utilization records are also used to determine the geographical area where companies receiving the Authority's contracts are located. Identification of the market area is **step two**. Once the market area is identified, the **third step**, availability analysis, identifies businesses willing and able to provide the goods or services needed by the Authority. In the **fourth step**, the utilization and availability

analyses are used to determine whether there is disparity or statistically significant underutilization of the available minority and woman-owned businesses by industry. In **step five**, anecdotal analysis, the contemporary experiences of business owners in the Authority's market area are reviewed. In **step six**, the statistical, and anecdotal analyses are reviewed, and recommendations are written to enhance the efforts made by the Authority to contract with businesses in its market area.

D. Disparity Study Findings

The Commonwealth's Disparity Study adhered to the legal standards set forth in *Croson* and its progeny. The analysis assessed the level of contracting the DGS conducted with MBE/WBEs. Therefore, the disparity study evaluated whether the utilization levels were commensurate with the availability of MBE/WBEs to perform work on the construction and design professional services contracts the Commonwealth awarded between January 1, 2003 and December 31, 2005. This analysis offered the most objective measure of the effectiveness of the Commonwealth's MBE/WBE Program established by *Executive Order 2004-6* and provided a legal basis for establishing MBE/WBE participation goals.

The Disparity Study, which was completed in June 2007, found statistically significant disparity in the utilization of MBEs and under utilization of WBEs in the award of building construction and design prime contracts and subcontracts. *Croson* specifically addressed the constitutionality of MBE goals but it is unclear whether WBE contracting programs are subject to the strict standard of review. Since *Croson*, the Supreme Court has remained

silent with respect to the appropriate standard of review for WBE programs. Accordingly, WBE goals are only subject to intermediate scrutiny. The table below details the subcontractor disparity findings from the Commonwealth's Disparity Study.

Table 1.01 Summary of Subcontract Disparity Findings

Ethnicity and Gender	Construction
All Subcontracts	
African Americans	Yes
Asian Americans	No
Hispanic Americans	Yes
Native Americans	---
Minority Business Enterprises	Yes
Women Business Enterprises	No
Minority and Women Business Enterprises	Yes

Yes = Statistically significant disparity was found

No = Statistically significant disparity was not found

--- = There were insufficient records to determine statistical disparity

The findings of the study established the factual predicate the Commonwealth used to set MBE/WBE goals. However, a disparity study was not conducted for the Authority because it has only procured one project, which would not constitute sufficient data to perform the required statistical analysis. As outlined above, the Project is being constructed under the jurisdiction of the Commonwealth. In *Concrete Works vs. City and County of Denver*⁴ (*Concrete Works*) the court held that a governmental entity can rely upon a combination of statistical and anecdotal evidence of another entity with which it has a nexus. The nexus between the Commonwealth and the Authority exists through the Commonwealth's appropriation of funds for the Project and the draft Delegation Agreement. Thus, the Authority utilized the findings from the Commonwealth's disparity study to establish the factual predicate required to set goals on this Project.

⁴321 F.3d 950 (10th Cir. 2003).

IV. PROJECT GOAL SETTING PROCEDURE

Contract specific goals were prepared for the Project. The procedure used in setting the goals is narrowly tailored, and consistent with the standard recommended in the Commonwealth's Disparity Study. The goal setting method utilized produces reasonably attainable goals and is based on legal standards that comport with *Croson*. Consequently, the contract goals set for the Project are narrowly tailored to the availability of the businesses in the Authority's five county market area of Bucks, Delaware, Chester, Montgomery, and Philadelphia counties that perform the types of work required.

A. Determination of Types of Work

A determination of the types of work to be conducted to construct the Project was made by the Authority. A total of 17 different types of work were identified.

The Authority's estimated costs were used to determine the relative value for each type of work. Weights were then assigned to the types of work based on the dollar values assigned to each of the 17 categories. Listed below, in descending order by assigned weight, are the types of work:

Table 1.02 Assigned Types of Work

Types of Work
Heating, Ventilating, and Air Conditioning
Metals
Concrete
Electrical
Finishes
Masonry
Openings
Earthwork
Thermal and Moisture Protection
Plumbing
Conveying Equipment

Table 1.02 Assigned Types of Work

Types of Work
Fire Suppression
Specialties and Equipment
Woods, Plastics, and Composites
Exterior Improvements
Utilities
Furnishings

B. Definition of Availability

According to *Croson*, availability is defined as the number of businesses in the jurisdiction's market area that are willing and able to provide the goods and services required to perform the types of work. The Authority's five county jurisdiction was defined as the Project's market area. The sources used to compile a list of construction businesses in the five county market area were identified from government and private sources. Membership lists were collected from chambers of commerce, trade and business associations, the Commonwealth's vendors list, and agency certification lists.

Pursuant to *Croson*, only businesses which affirmed a willingness to contract with the Authority were included in the availability analysis. Businesses that were identified from certification lists and the Commonwealth's vendors list were considered available because they had expressed an interest in doing business with the government. The certification lists provided the ethnicity and gender of each business. An ethnicity and gender survey was undertaken to determine the ethnicity and gender of the construction businesses on the Commonwealth's vendor list. Businesses that were drawn from trade and business associations' membership lists were subjected to a willingness survey. The purpose of the survey was to measure each firm's interest in contracting with the Authority and to verify the ethnicity and gender of the firm.

The various sources of construction businesses were combined in a database and a unique list was created. The unique list was queried to classify each business by type of work. When the analysis was completed each business was coded by type of work, ethnicity, gender, and address. This unique list, used to determine the percentage of available businesses for each type of work required for the Project, was limited to the Authority's five county market area.

C. Calculation of Project Goal

Goals were calculated for minority and woman-owned business enterprises on a contract by contract basis. There are two prime contracts for this project. In setting the goal for each of the two contracts, the percentage of dollars allocated to each type of work was used as a weight to calculate the distribution of available firms for each type of work. This process was repeated for each type of work and the resulting percentages for each type of work were then added together to calculate the MBE/WBE goals for each contract.

The goals for Contract one were calculated based upon the contingency that a maximum of 40 percent of the steel required for this contract may not be available through domestic production within the United States. Given the potential that a maximum of 40 percent of the steel cannot be purchased domestically, the calculation of Contract one's goals included 60 percent of the estimated contract allocated to steel.

D. Project Goals

The goals set for Contract one of this project are 13.48 percent for MBEs and 12.04 for WBEs. The goals set for Contract two of this project are 13.69 percent for MBEs and 10.69 percent for WBEs.

The project goals establish a maximum level of subconsultant participation that should be listed in the solicitation for the prime contractors. In listing the goals there should also be a provision for the demonstration of the prime contractor's Best Efforts, in the event that one or more of the goals are not met.

ANTI-DISCRIMINATION POLICY
EXHIBIT B
ECONOMIC OPPORTUNITY PLAN

PENNSYLVANIA CONVENTION CENTER
AUTHORITY EXPANSION PROJECT

ECONOMIC OPPORTUNITY PLAN-BILL NO. 070994

I. Convention Center Project and Plan Introduction.

The Pennsylvania Convention Center Authority (the "Authority") is an agency and public instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and a body politic and corporate created and existing under the Pennsylvania Convention Center Authority Act, 64 Pa. Cons. Stat. Ann. § 6001, et seq, as amended (the "Act"). The Authority is authorized and empowered under the Act for the purposes of, inter alia, acquiring, holding, developing, designing, constructing, maintaining, managing, operating, financing, furnishing, fixturing, equipping, repairing, leasing or subleasing either in the capacity of lessor or lessee or sublessor or sublessee, and owning a convention center or parts thereof in cities of the first class.

The City of Philadelphia (the "City"), a municipal corporation, is a city of the first class and a body corporate and politic, organized and existing under the laws of the Commonwealth.

The City, the Authority and the Commonwealth (the "Parties") desire to have developed, designed, constructed, furnished, equipped, financed, operated and maintained a convention center facility within the geographical limits of the City (the "Original Convention Center"). In order to undertake the foregoing, the Authority issued its Revenue Bonds, 1989 Series A, in the original aggregate principal amount of \$285,860,610.65 (the "1989 Bonds"), for the purpose of financing a portion of the costs of a project of the Authority consisting of the development, design, construction, operation and management of the Original Convention Center (the "Original Convention Center Project").

In conjunction with the Original Convention Center Project and the 1989 Bonds issued to finance the same, the Authority and the City entered into a Lease and Service Agreement dated as of December 14, 1989 (the "Original Lease and Service Agreement") pursuant to which, among other things, the City leased certain real property to the Authority (the "Land") in consideration of certain rentals payable by the Authority to the City, and the City agreed to pay to the Authority a certain service fee (the "Service Fee") in consideration of the undertakings of the Authority with respect to the Original Convention Center Project and the financing thereof. Further, the Original Lease and Service Agreement provided that upon its termination, title to all buildings, improvements and/or fixtures (as described therein) (the "Improvements") would automatically vest in the City without the need for any further action.

The City, the Authority and the Commonwealth now desire to expand and renovate the Original Convention Center (the "Convention Center Project"), and will undertake, or have undertaken, the development, design, construction, and operation of the expansion and renovation of the Original Convention Center, as contained in drawings, specifications and the Design Development Summary Report constituting the design development documents, which the Authority caused to be prepared and submitted to the Commonwealth for review and acceptance. The Convention Center Project consists of the following:

- (i) acquisition of land, demolition, site preparation and the design and construction of an approximately 960,000 square foot expansion of the Original Convention Center (the "Expanded Portion," and together with the Original Convention Center, the "Convention Center"). The Expanded Portion will begin at the westerly wall of the Original Convention Center at 13th Street and proceed west to Broad Street and north from Arch Street to Race Street, excluding the Liberty Title Building;
- (ii) renovation of the Original Convention Center to accommodate new elevators and support space for the Expanded Portion. The renovation of the Original Convention Center consists of demolishing and reconstructing approximately 30,000 square feet of the back of the Original Convention Center support spaces; and
- (iii) purchase and installation of the furniture, furnishings and equipment for the Expanded Portion.

In addition to its payment obligations hereunder, the City agrees to provide the following support to the Convention Center Project:

- (i) the waiver of all permitting fees, licensing fees, assessments and other charges imposed by the City and associated with the review and approval of plans, granting of permits, utility shut-offs and relocations, inspections and certificates of occupancy relative to the Convention Center Project;
- (ii) the reimbursement to the Authority for the relocation of certain water systems in and around the Expanded Portion, as defined in the Asset Acquisition Agreement by and between the Philadelphia Water Department and the Authority;
- (iii) the transfer of fee title to the former fire station, located at 1328 Race Street; and
- (iv) the closure of portions of Cherry Street and other rights-of-way and encroachments within portions of 13th Street and Broad Street, as authorized by City Council.

The City, the Authority and the Commonwealth further agree that because the Convention Center Project occurs within the geographical limits of the City of Philadelphia, the Authority agrees to accept in connection with said Project the provisions contained in Chapter 17-1600 ECONOMIC OPPORTUNITY PLANS, as contained within the Philadelphia Code. It is understood by the Parties that some "covered" work may be completed or under contract. As to that work not completed but under contract, the Parties will consider appropriate ways to seek compliance with this Economic Opportunity Plan (the "Plan").

The purpose, standards and procedures of this Economic Opportunity Plan (the "Plan") are the expressed wishes of the Authority as set forth herein. "Participant" shall be as defined in

Philadelphia Code Chapter 17-1601(4). All Participants shall be obligated to fully comply with the requirements of the Plan.

The Authority is committed to provide meaningful and representative opportunities for minority-owned, women-owned and disabled-owned business enterprises as such businesses are defined and certified by governmental certifying agencies (referred to hereafter individually, as "MBEs", "WBEs", "DSBEs", respectively and collectively, as "M/W/DSBEs"), and individuals that are Philadelphia residents (referred to hereafter as "local residents"), in all phases of the Convention Center Project. Authority will require that all Participants commit to the foregoing commitment. Neither the Authority nor any Participant shall (and furthermore shall ensure that their associates, partners or representatives shall not) discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, or handicap in the award and performance of contracts pertaining to the Convention Center Project or with respect to any and all related employment practices.

All Participants in the Convention Center Project shall observe and be subject to the enforcement of all relevant City, Commonwealth and federal laws, ordinances, orders, rules and/or regulations regarding M/W/DSBEs and locally-based business enterprises. Furthermore, proactive action will be taken, consistent with sound procurement policies and applicable laws, to ensure that M/W/DSBEs are afforded a meaningful and representative opportunity to participate in contracts relating to the Convention Center Project.

For the purposes of this Plan, the term "minority person" shall refer to the following: African American or Black, Hispanic American, Asian American and Native Americans. The term "disabled person" shall refer to a person who has a physical or mental impairment that substantially limits one or more of his or her major life activities, such as caring for oneself, performing manual tasks, e.g., walking, seeing, hearing, speaking, breathing, learning and performing physical work.

Agencies and representatives of the City and/or Commonwealth may be consulted regarding the appropriate inclusion of M/W/DSBEs in this Convention Center Project as outlined in this Plan and with regard to its implementation.

II. Construction Opportunities; Aspirational Participation Goals:

The Parties desire to use the largest public works project in the City as an engine for new economic opportunity for businesses and employees, particularly for minority persons, women and disabled persons. The Authority will require that its General Contractor use nondiscriminatory employment practices and make best and good faith efforts to employ minority and female persons in the construction workforce consistent with workforce utilization goals of 40% (25%-African-American; 10%-Hispanic-American; and 5% Asian American) and 10%, respectively. The Authority will include these goals in all construction related contracts and will require its General Contractor to reference these workforce utilization goals in all of its subcontracts.

The Authority shall also require that the General Contractor and its subcontractors make best and good faith efforts to provide contract opportunities for certified M/W/DSBEs with the

goals of 35% (20%-African-American; 10%-Hispanic-American; and 5%-Asian American) participation by MBEs, 15% participation by WBEs and encourage participation of DSBEs. These percentages for participation will be applied to the total dollar value of all contracts let by the Authority or the General Contractor, including all change orders and scope adjustments.

With respect to the employment of local residents, the Authority will also require that its General Contractor make best and good faith efforts to employ local residents in the construction workforce consistent with a workforce utilization goal of 50%.

Scope/Duration. - This Plan shall apply to contracts awarded and procurements sourced by the Authority and all Participants throughout the construction of the Convention Center Project. Applicable provisions of the Plan will be implemented by the Authority during the operation of the expanded Convention Center.

III. Permanent Employment Opportunities:

- A. As a part of this Plan, the Authority commits to staffing diversity in the existing eighty (80) full-time and part-time positions. Of the twenty (20) new full-time jobs expected to be created in connection with the operation of the new facility (the "Facility"), the Authority shall make every effort to meet the following minimum goals for the employment of minority persons, females and disabled persons in the operation of the Facility: 35% for minority persons, 15% for females and encouraged percentage for disabled persons.
- B. The Authority shall make every effort to reach out to sources of employment like the Philadelphia Workforce Development Corporation, the Urban League of Philadelphia, the Opportunity Industrial Center and the Jewish Employment and Vocational Services that can refer minority, female and disabled workers.
- C. Building Operations: The Authority may contract with third parties for security services, food services and/ or other building operations services. In consultation with MBEC the Convention Center Project Oversight Committee and other appropriate parties, the Authority will establish participation ranges for all such contracts and will apply all applicable provisions of this Plan to said contracts.

IV. Procedures for Determination and Monitoring of Best and Good Faith Efforts

- A. Statement of Objectives. - The objectives set forth in the Plan shall be incorporated in all requests for proposals, bid packages and solicitations (collectively, "Invitations to Bid") for the Convention Center Project and communicated to all Participants. Subject to the provisions of the Pennsylvania Convention Center Authority Act, as amended, all Invitations To Bid are subject to this Plan and the requirements as set forth in Section 17-1603 (2) of Chapter 17-1600 of The Philadelphia Code. Accordingly, by submission of its bid, a Participant makes a legally binding commitment to abide by the provisions of this Plan which includes Participant's commitment to exercise its best and good faith efforts throughout the contract term to provide meaningful and representative contracting opportunities for M/W/DSBEs and to employ, to the extent feasible,

an appropriately diverse workforce of minority, women and disabled persons in all phases of the contract awarded under its bid.

Participants shall respond to the Aspirational Participation Goals set forth in Part II by completing the attached **Documentation of Best and Good Faith Efforts Form ("BGFE Form")** documenting its solicitations and commitments to M/W/DSBEs along with information, presented in question and answer style, detailing its exercise of best and good faith efforts to include M/W/DSBEs in the contract. The submission of the BGFE Form is an element of bid responsiveness and failure to include this form with the Plan may result in the rejection of the bid. A Participant's failure to use good faith in completing the BGFE Form may result, upon investigation, in Participant being found non-responsible.

- B. **Best and Good Faith Efforts.** - Participants shall use best and good faith efforts (as defined hereunder) to provide appropriate participation and utilization opportunities for M/W/DSBEs, minority workers, female workers and local resident workers. *Best and good faith efforts* are those efforts, the scope, intensity and appropriateness of which are designed and performed to achieve the objectives of this Plan including goals expressed herein. Best and good faith efforts will be deemed adhered to when a Participant meets the criteria set forth in this Plan and demonstrates and documents its efforts throughout the duration of the Project. Each Participant must submit a BGFE Form showing how *best and good faith efforts* were made to achieve said goals, even if the goals were not met. The BGFE Form should include evidence that the Participant engaged, among other things, in the following efforts:
1. Solicitation through job fairs, newspapers, periodicals, advertisements and other organizations or media that focus on construction and are owned by M/W/DSBE and/or that focus on M/W/DSBEs.
 2. Telephone logs.
 3. Evidence of solicitation to qualified M/W/DSBEs certified by the Philadelphia Minority Business Enterprise Council ("MBEC") or those entities identified in Part VI(A) of this Plan or any successor agency, the Department of General Services of the Commonwealth of Pennsylvania pursuant to the principles found in 4 Pa. Code 958.201 et seq. or members of the Pennsylvania Unified Certification Program ("PA UCP"). Participant must determine with certainty if the M/W/DSBEs are interested by taking appropriate steps to follow upon initial solicitation; one time contact, without any follow up, is not acceptable.
 4. Bid results and reasons as to why no awards were made to M/W/DSBEs.
 5. Correspondence between the contracting firm and any M/W/DSBE firms.
 6. Attendance logs and/or records of any scheduled pre-bid or pre-proposal meeting.

7. Encourage M/W/DSBEs to confer with GPUAC, PWDC, and similar organizations regarding specific, general and technical assistance offered and provided to M/W/DSBEs related to their portion of the Convention Center Project.
 8. Proof there was notification of and access to bid documents at the contracting firm's office or other office locations for open and timely review.
 9. Sought assistance from Greater Philadelphia Urban Affairs Coalition, Careerlink Philadelphia, Opportunity Industrial Center and the Philadelphia Workforce Development Corporation ("PWDC") to perform employment outreach.
 10. Maintain a published policy of nondiscrimination in the hiring, retention and promotion of employees.
 11. Have an agreement with an apprenticeship or training program that targets the employment of minority persons, disabled persons and women.
 12. Made commitments to use M/W/DSBEs in its bid for subcontracted services and materials supply even when the non-MBEs, WBEs and DSBEs Participant might otherwise prefer to perform/supply these items without subcontracting.
 13. Provided interested M/W/DSBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
 14. Provided arms length business assistance to interested M/W/DSBEs which may include access/introduction to major manufacturer/suppliers, lines of credit and union halls.
 15. Negotiated in good faith with interested M/W/DSBEs. A Bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including M/W/DSBE subcontractors, and would take a firm's price and capabilities as well as the objectives of the Authority's Antidiscrimination Policy into consideration.
- C. *Monitoring of Best and Good Faith Efforts.* – The monitoring and reporting of *best and good faith efforts* of the Participants shall be established by the Authority in consultation with appropriate city, state and federal agencies and/or private professional entities, and shall include (in addition to any further measures that may be required) the following:
1. All Participants that are on-site contractors or subcontractors involved in the construction of the Convention Center Project shall submit copies of

“certified” payrolls, signed contracts and purchase orders with M/W/DSBE contractors and subcontractors.

2. Subject to all applicable law, including but not limited to the Prompt Payment Act as defined in the Commonwealth Procurement Code relating to payment obligations. Participants shall be ready to provide evidence of timely payments to M/W/DSBE subcontractors, sub-consultants and supply vendors for participation verification. This documentation should be provided monthly or included with every request for payment.
 3. At the conclusion of the Convention Center Project, Participants shall provide evidence of the actual dollar amounts paid to M/W/DSBE contractors or subcontractors.
 4. All Participants that are on-site contractors involved in the construction of the Convention Center Project shall be prepared to submit data sufficient to verify workforce utilization.
 5. The Authority or its agents shall conduct on-site labor census at least twice per week, on a random basis, to document levels of minority and female participation, based upon information provided for payroll verification, and prepare reports on their findings each time a census is conducted.
- D. Documentation of *Best and Good Faith Efforts* and Compliance. Two components have been established to document the inclusion of M/W/DSBEs as contractors and vendors, and minority /female/local residents as Convention Center Project site workforce participants:
1. *M/W/DSBE Contracting and Vending Participation Levels* - the basis for each determination will be the percentage of the total dollar amount of Participant’s bid/contract OR the total dollar amount of the bid/contract for the identified Project task.
 2. *Minority/Female/Local Resident Employment Participation Levels* - the basis for each determination will be the projected total on-site field employee hours divided by the number of minority, female and local resident employee hours anticipated to be performed on the contractor’s payroll, and each of the contractor’s on-site subcontractors payrolls.
- E. Oversight Committee.
1. The Authority will establish and identify the members of a “Convention Center Project Oversight Committee.” The Convention Center Project Oversight Committee is expected to include: representatives of the Authority, the City including City Council and other City representatives, the Commonwealth and other appropriate parties including one representative from the Hispanic Chamber of Commerce and the African American Chamber of Commerce, and shall meet during all phases of the

Convention Center Project. The Authority and the Convention Center Project Oversight Committee will engage in monitoring, reporting (including to City Council) and problem solving activities including regular meetings to address all matters relevant to further development of this Plan, carrying out its implementation and the successful completion of the Project.

2. The Authority will convene meetings of the Convention Center Project Oversight Committee no later than one (1) month after the initiation of the construction phase of the Convention Center Project.

V. Responsiveness

A presumptively responsive submission is one in which a Participant submits the BGFE form demonstrating best and good faith efforts, as above defined, to provide meaningful and representative contracting opportunities for M/W/DSBEs and commits to employ, to the extent feasible, an appropriately diverse workforce of minority, women and disabled persons in all phases of the contract and achieves the Aspirational Participation Goals set forth in Part II.

If however the proposed level of M/W/DSBE participation falls below the goals set forth in Part II the bidder must prove to the satisfaction of the Authority that notwithstanding its best and good faith efforts, its proposed level of M/W/DSBE participation is the best that can be attained. If the bidder proves to the satisfaction of the Authority that it has exercised best and good faith efforts, its bid shall be deemed to be responsive in this respect.

VI. Certified M/W/DSBEs

- A. Only businesses that are owned and controlled, in both form and substance by minority persons, women and disabled persons shall be counted towards participation under this Plan. To ensure this standard, all businesses, including participants of joint ventures, must be certified by one of the following certifying agencies: MBEC, or any successor agency, the Department of General Services of the Commonwealth of Pennsylvania pursuant to the principles found in 4 Pa. Code § 58.201 et seq. for the purposes of this Plan or the Pennsylvania Unified Certification Program (Pa UCP). In order to maximize opportunities for as many businesses as possible, Authority will permit each prime consultant and prime contractor to identify certifiable firms to their bid ("certifiable firms" shall mean those firms which are eligible for certification). These certifiable firms must be certified prior to the award of contract in order for their participation to count towards the prime's best and good faith efforts. The City's MBEC grants reciprocal certification to businesses that have been duly certified by approved governmental entities, including their home state, or other jurisdictions that similarly grant reciprocity to M/W/DSBEs certified by the MBEC.
- B. M/W/DSBE certification shall not be the sole determination of a bidder's or contractor's financial or technical ability to perform specified work. The Authority reserves the right to evaluate the contractor's or subcontractor's ability.

to satisfy financial, technical, or other criteria separate and apart from said certifications before bid opening. Pre-qualification conditions and requirements shall be conveyed in a fair, open and non-discriminatory manner to all.

- C. The Authority recognizes that M/W/DSBE certifications may expire or the firm may experience decertification by an authorized governmental entity. Certifications that expire during an M/W/DSBE's participation on a particular phase of the Convention Center Project may be counted toward overall goals for participation ranges. However, said firm **MUST** become recertified prior to consideration for future range/goal credit in this Plan. If a firm has been decertified, said firm will not be eligible to participate or be counted.

VII. Non-Compliance

- A. In cases where the Authority has cause to believe that a Participant, has failed to comply with the provisions of this Plan, the Authority in consultation with the Convention Center Project Oversight Committee and/or appropriate agencies and professional entities, will attempt to resolve the noncompliance through conciliation and mediation.
- B. In cases where the Authority, its agents, consultants, in consultation with the Convention Center Project Oversight Committee, has cause to believe that any Participant has failed to comply with the provisions of this Plan, the Authority will conduct an investigation.
- C. After affording the Participant notice and an opportunity to be heard, the Authority, its agents, consultants, in consultation with the Convention Center Project Oversight Committee, may take corrective, remedial and/or punitive action. Such actions may include, but are not limited to:
 - 1. Declaring the Participant in default;
 - 2. Suspending and/or debaring the violating Participant from doing business with the Authority;
 - 3. Withholding payments to the violating Participant.

VIII. Guidelines for Joint Venturing

Joint Venture relationships with certified M/W/DSBEs must meet the following criteria in order to receive credit towards the participation goals:

- A. The M/W/DSBE partner(s) must be certified by MBEC, PA UCP or an agency authorized by law to certify such enterprises prior to proposal/bid submission.
- B. The M/W/DSBE partner(s) must be substantially involved in significant phases of the contract including, but not limited to, the performance (with its own work

force) of a portion of the on-site work, and of administrative responsibilities, such as bidding, planning, staffing and daily management.

- C. The business arrangements must be customary (i.e., each partner shares in the risk and profits of the joint venture commensurate with their respective ownership interest).
- D. If a certified partner is an M/W/DSBE, the participation will be credited only to the extent of the partner's ownership interest in the joint venture. M/W/DSBE participation ranges or goals will apply to the joint venture.

IX. Referral Apprentice Participation Program ("Program")

The goal of this Program is to provide individuals in the Philadelphia community, who have not previously participated in a governmentally-certified apprentice program, an opportunity to become a full-fledged participant in such a program. The Authority is advised by PWDC that such Philadelphia residents are available and qualified to work on the Convention Center Project. This is accomplished by requiring Convention Center Project contractors to hire individuals that come through the Program to work as apprentices on the Convention Center Project, and sponsor their admission to a governmentally-certified apprentice program. In this way, these individuals become full participants in such apprentice programs. The essential elements of the Program are, in summary, as follows:

Individuals will be recruited from the Philadelphia community on a non-discriminatory basis as "Candidates" for the program. Once the Program is satisfied that the Candidates meet all of the qualifications to participate in such an apprentice program, actually pass the apprentice program's standard entrance examination and are prepared to work on the Convention Center Project, they will be "Certified Pre-Apprentices." The Program will then include their name on a list provided to contractors on the Convention Center Project for hiring purposes. When they are hired by a contractor to meet their contractual requirements on the Convention Center Project, the contractor will also sponsor their admission to the apprentice program. These individuals thereby become full participants in the apprentice program while working for the contractor. At this point, they will be known as "New Apprentices". As full participants in the apprentice program, they have all the rights and obligations of any apprentice program participant.

To make sure there are sufficient opportunities for individuals to benefit from the Program, the Authority will require that the maximum number of apprentices permissible under existing journeyman/apprentice ratios be utilized on the Convention Center Project. The Program further requires that a minimum of 50% of all apprentice hours in each trade be performed by New Apprentices, i.e., individuals who were recruited and processed through the Program, and who are hired by the contractor from the list compiled by the Program. These requirements will be incorporated into each construction contract and, preferably, a project labor agreement.

X. Reporting Requirements and Public Records.

A. Reporting

1. By the fifteenth (15th) day following the end of each month, the Authority shall provide a report to the Convention Center Project Oversight Committee (including City Council) that documents the status of participation of M/W/DSBE contractors and subcontractors which includes the names of each company, the trade or specialty, the amount of each contract, the percent of contract completion for the month being reported and what percent of the overall project this participation represents for the month being reported.

2. By the fifteenth (15th) day following the end of each month, the Authority shall provide a report to the Convention Center Oversight Committee (including City Council) that documents the status of participation of minority, female and local employment on the project. This report at minimum shall include, by trade or specialty, total work force, minority, female and local employment by both number of persons and number of hours worked.

B. Public Records

All records, reports, submissions, including minutes of meetings and decisions made by the Convention Center Oversight Committee, pertaining to the implementation and monitoring of this Economic Opportunity Plan shall be declared public records to the extent permissible by law and shall be made available to the public upon request.

Documentation of Best and Good Faith Efforts Form

Bid Title: _____
City of Philadelphia Bid Number _____

Name of Bidder: _____

Date: _____

I. M/WDBE Participation

Name of M/WDBE Solicited: _____

Street Address, Telephone and Facsimile Number:

MBEC Certification Number _____

(Check all that apply):

MBE (Minority Owned Business Enterprise)

WBE (Woman Owned Business Enterprise)

DBBE (Disabled Owned Business Enterprise)

Date(s) Solicited (mm/dd/yyyy): _____

Method(s) of Solicitation (check all that apply):

Telephone

Mail
Advertisement

Comment:

Yes (If yes, please proceed to Part A)

No (If no, please proceed to Part B)

Part A

If yes, describe / identify the following:

COP, Bid

FOR EXHIBIT ONLY

Subcontractor - Type of Work _____

Supplier - Type of Supply Effort _____

Dollar Amount: \$ _____

Percentage of Bid _____%

Note: Please attach Letter of Intent and/or Quotation

Part B

If no commitment resulted from the solicitation, please explain what good faith efforts were made and why they were unsuccessful.

Did you attempt to negotiate price and scope (please be specific, attaching any dated price quotations and correspondence)?

What kind of business assistance did you offer the MW/DSBE (e.g., introduction to manufacturer, helped provide access to line of credit, access to union hall, etc.)?

What efforts were made to provide to MW/DSBEs information about the scope of work required?

Are you planning to award this work or supply effort to a non-MW/DSBE? If so, please explain why. Identify the name of the awarded firm(s), provide the awarded firms' quotation and any price adjusted quotations, scope of work and experience of the awarded firm(s).

Workforce Diversity

Do you operate or provide funding to any on-the-job training programs? If so please describe and provide the number of trainees and breakout of minority and female participants.

END. R/d

FOR EXHIBIT ONLY

Provide your list of minority and female recruitment agencies or other community based organizations that your firm uses for employment placement.

Describe any specific outreach activities taken to advise minority persons and women of employment opportunities with your company.

Identify the unions with which you have a collective bargaining agreement. Describe hiring practices, including Commonwealth of Pennsylvania Department of Labor and Industry approved apprenticeship programs that specifically encourage the training and employment of minority persons and women.

FOR EXHIBIT ONLY

COF, S.d

ANTI-DISCRIMINATION POLICY
EXHIBIT C
CATEGORIES OF WORK

**Expansion and Renovation
to the
Pennsylvania Convention Center**

This Project contains seventeen (17) **Categories of Work** as defined below:

1. Heating, Ventilation and Air Conditioning - Including the HVAC demolition associated with demolition of existing interior spaces Levels 1 and 2; modification to the existing HVAC system; level 1 under slab work.

- a. Piping that serves Fin. Tube Radiation (FTR).
- b. Radiant heat piping.
- c. Fuel oil tanks.
- d. Below slab empty raceways for fuel tank electronic monitoring system.
- e. Piping from fuel oil tanks to concrete encased vertical fuel pipe riser located near stair E.

New work including furnishing and installing cooling towers, AHUs, boilers, fuel oil pumps, ductwork, building controls, and all General Conditions associated with the work.

2. Metals - All steel, including structural beams, columns, bracing, joists, trusses, metal floor deck, metal roof deck, furnish and install all Elevator and Escalator support beams, steel angle pour stops at floor openings, steel angle pour stops at the perimeter of the building, including at insulated metal panel exterior walls, intermediate steel beams that support MEP equipment, relieving angles, and all General Conditions associated with the work.

3. Concrete - Foundations: drilled piers, pier caps, columns below grade, grade beams, elevator/escalator pits; underground poured in place concrete storm water detention tanks; level 1 concrete slab on grade, stairs on grade, ramps and loading dock; concrete slab work in existing building east of existing col. line 3 north of col. line E and east of existing col. line 1 south of col. line E; poured in place concrete super structure including floor/beam assembly, structural slab, reinforced columns, shear walls and organizing walls; installation of openings, sleeves and blockouts in concrete super structure; includes floor openings for vertical ductwork; vertical and horizontal blockout openings or sleeves in beams and floor slab for pipes and conduits; concrete slab poured on metal floor deck and infill of metal stairs; installation of empty conduits in concrete slabs on Level 2, and coordination/installation of Level 5 conduits with Contract 2 Contractor; coordination of installation of equipment and devices in concrete super structure and concrete slabs on metal deck above level 2 with Contract 2; all sidewalks, curbs, exterior stairs, ramps, aprons, etc.; topping slabs type S5 on metal deck; installation of openings, sleeves and blockouts in concrete above level 2; and all General Conditions associated with the work.

4. Electrical - Temporary lighting and power to support all construction activities; electrical demolition associated with demolition of existing interior spaces levels 1 and 2; modification to electrical system in existing building, including lighting, fire alarm, and

egress signage, conduits and encasement for Electrical Service continuous duct bank below Level 1 slab-on-grade; all conduit stub-ups/junction boxes as required for site electric and lighting; installation of under slab conduits, raceway systems and EHB's for electrical power; furnish and install conduits in concrete up to and including level 2 for electrical power; installation of raceway system and EHB's in Level 2 poured in place concrete floor structure; heat tracing for all radiant heat piping; installation of all new light fixtures, life safety devices, and electrical service for all mechanical equipment; emergency generator; and all General Conditions associated with the work.

5. Finishes - Install all ceramic tile, stone tiling, acoustical tile system, decorative panel ceilings, fabric wrapped panels, stone facing limestone cladding, interior and exterior paint, wall coverings, and all General Conditions associated with the work.

6. Masonry - CMU block material, cast stone masonry including interior and exterior walls, exterior brick veneer, decorative masonry units with custom brick shapes at columns, limestone panels, granite panels and cladding, and all General Conditions associated with the work.

7. Openings - Curtain wall on Broad Street, overhead coiling doors, aluminum storefronts, and entrances, decorative glass glazing, and frames, metal frames skylights, louvers and vents, metal doors and frames, flush wood doors, finish door hardware , and all General Conditions associated with the work.

8. Earthwork - All work within the Project limits including temporary protection barricades/fencing, soil and erosion control, cut/fill, remove/abandon existing utilities, miscellaneous demolition, fine grading, porous fill underslabs, and, curb removal and replacement as required where removed for underground utility work, and all General Conditions associated with the work.

9. Thermal and Moisture Protection - Work includes damp proofing and waterproofing foundation, thermal insulation, including SOG insulation, vapor barrier, batt insulation, spray-on insulation, metal roof panels, insulated core wall panels, mansard roofing material, aluminum panels, fascia and soffit material, single ply membrane roofing, CSPE membrane roofing system, SBS modified bituminous roof material, applied fireproofing and joint sealants, and all General Conditions associated with the work.

10. Plumbing - Plumbing demolition associated with demolition of existing interior spaces, temporary plumbing systems in existing building, installation of all below level 1 slab on grade sanitary and storm water piping including roof drains, installation of floor drains in Levels 1 and 2; installation of Exhibit Hall Utility Boxes (EHB's) in Level 1 slab on grade and Level 2 concrete poured in place floor structure; installation of all piping connected to EHB's in Level 1 slab; installation of all piping connected to EHB's in level 2 slab as follows - extend drain tail pipe to 6" beyond the face of concrete beam or the concrete slab enclosure around EHB's, installation of water closets, sinks, plumbing work associated with food service equipment including sinks, wash basins, beverage dispensers, drinking fountains, floor troughs and drains, and all General Conditions associated with the work. Domestic water piping and gas piping, servicing mechanical equipment and building services, as well as all General Conditions associated with the work.

11. Conveying Systems - Including hydraulic elevators including equipment for freight and passenger use, escalators servicing the Arch Street concourse and Broad Street Atrium, as well as all General Conditions associated with the work.
12. Fire Suppression - Fire Protection demolition associated with demolition of existing interior spaces Levels 1 and 2; temporary fire protection system in existing building; installation of below slab fire water entrance service into "fire pump room", including electric fire pump, diesel fire pump, water supply and associated piping to support standard sprinkler system, dry pipe system, ansul system, and pre-action sprinkler system; Siamese connection to street, as well as all General Conditions associated with the work.
13. Specialties and Equipment - Signs, toilet compartments, wire mesh partitions, demountable partitions, Exhibit Hall operable partitions, wall and door protection, toilet and bath accessories, metal lockers, fire extinguisher cabinets, loading dock equipment, window washing equipment, as well as all General Conditions associated with the work.
14. Wood, Plastics, and Composites - Decorative metal railings, stone countertops, hollow, millwork, custom vision panels, flush wood paneling and soffits, light coves, wall cabinets, as well as all General Conditions associated with the work.
15. Exterior Improvements - Asphalt paving, concrete curbs, concrete sidewalk, concrete patching site grates, hand rails, cross painted islands, signage and posts, trees, tree pits and grates, as well as all General Conditions associated with the work.
16. Utilities - Water distribution, including CIP and ductile pipe, valves, sewage and drainage piping and connections with RCP, VC and CI pipe, electrical and gas connections to local services, and associated excavation, as well as all General Conditions associated with the work.
17. Furnishings - New corrals, railings, barriers and sign relocation as well as all General Conditions associated with the work.