

על העניינים האלה

II-7. OBJECTIVE AND ADDITIONS TO STANDARD
CONTRACT TERMS AND CONDITIONS

**II-7. OBJECTIONS AND ADDITIONS TO STANDARD CONTRACT TERMS AND
CONDITIONS.**

We have reviewed the Standard Contract Terms and Conditions - SAP provided by the
online link and are agreeable with the terms and conditions outlined on this contract.

This contract is similar to the one ACS Claim Service, Inc. currently holds with the
Bureau.

II-8. DISADVANTAGED BUSINESS SUBMITTAL

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As required in Part I, Paragraph I-13 on page 3 through 5, and Part II, Paragraph II-8 on page 12 through 16 and Part II Proposal Requirements on page 10, we have provided this data in a sealed envelope separate from and not included in the technical portion of our proposal.

Please refer to the envelope marked "TAB 8 - DISADVANTAGED BUSINESS SUBMITTAL."

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

II-9. COST SUBMITTAL

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As required in Part II, Paragraph II-9. on page 16 through 17 and Part II Proposal Requirements page 10, we have provided this data in a sealed envelope separate from and not included in the technical portion of our proposal.

Please refer to the envelope marked "TAB 9 - COST SUBMITTAL"

II-10. DOMESTIC WORKFORCE UTILIZATION
CERTIFICATION

II-10. DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

As required in Part II, Paragraph II-10. on page 18 and Part II Proposal Requirements page 10, we have provided this data in a sealed envelope separate from and not included in the technical portion of our proposal.

Please refer to the envelope marked "TAB 9 - COST SUBMITTAL"

APPENDIX A

STANDARD CONTRACT TERMS AND CONDITIONS

**STANDARD CONTRACT
TERMS AND CONDITIONS - SAP**

If an award is made to a Bidder, the Bidder shall receive a Contract that obligates Bidder to furnish the awarded item(s) in accordance with these Standard Contract Terms and Conditions - SAP:

1. TERM OF CONTRACT

The term of the Contract shall commence on the Effective Date (as defined below) and shall end on the Expiration Date identified in the Contract, subject to the other provisions of the Contract.

The Effective Date shall be: a) the date the Contract has been fully executed by the Contractor and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after the fully-executed Contract has been sent to the Contractor.

The fully executed Contract shall not contain "ink" signatures by the Commonwealth. The Contractor understands and agrees that the receipt of an electronically-printed Contract with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent on the Contract represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Contract. The printed name also represents that all approvals required by Commonwealth contracting procedures have been obtained.

The Contractor shall not start performance until all of the following have occurred: a. the Effective Date has arrived; b. the Contractor has received a copy of the fully-executed Contract; and c. the Contractor has received a Purchase Order. The Commonwealth shall not be liable to pay the Contractor for any supply furnished or work performed or expenses incurred before the Effective Date or before the Contractor receives a copy of the fully-executed Contract or before the Contractor has received a Purchase Order. Except as otherwise provided in Paragraph 3, no Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date.

2. PURCHASE ORDERS

The Commonwealth may issue Purchase Orders against the Contract. These orders constitute the Contractor's authority to make delivery. All Purchase Orders received by the Contractor up to and including the expiration date of the Contract are acceptable and must be performed in accordance with the Contract. Contractors are not permitted to accept Purchase Orders which require performance extended beyond those performance time periods specified in the Contract but in no event longer than ninety (90) days after the expiration date of the Contract period. Each Purchase Order will be deemed to incorporate the terms and conditions set forth in the Contract.

Purchase Orders will not include an "ink" signature by the Commonwealth. The electronically-printed name of the purchaser represents the signature of that individual who has the authority, on behalf of the Commonwealth, to authorize the Contractor to proceed.

Purchase Orders may be issued electronically or through facsimile equipment. The electronic transmission of a purchase order shall require acknowledgement of receipt of the transmission by the Contractor. Receipt of the electronic or facsimile transmission of the Purchase Order shall constitute receipt of an order. Orders received by the Contractor after 4:00 p.m. will be considered received the following business day.

The Commonwealth and the Contractor specifically agree as follows:

- a. No handwritten signature shall be required in order for the Contract or Purchase Order to be legally enforceable.
- b. Upon receipt of a Purchase Order, the Contractor shall promptly and properly transmit an acknowledgement in return. Any order which is issued electronically shall not give rise to any obligation to deliver on the part of the Contractor, or any obligation to receive and pay for delivered products on the part of the Commonwealth, unless and until the Commonwealth transmitting the order has properly received an acknowledgement.

- c. The parties agree that no writing shall be required in order to make the order legally binding, notwithstanding contrary requirements in any law. The parties hereby agree not to contest the validity or enforceability of a genuine Purchase Order or acknowledgement issued electronically under the provisions of a statute of frauds or any other applicable law relating to whether certain agreements be in writing and signed by the party bound thereby. Any genuine Purchase Order or acknowledgement issued electronically, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither party shall contest the admissibility of copies of genuine Purchase Orders or acknowledgements under either the business records exception to the hearsay rule or the best evidence rule on the basis that the order or acknowledgement were not in writing or signed by the parties. A purchase order or acknowledgment shall be deemed to be genuine for all purposes if it is transmitted to the location designated for such documents.
- d. Each party will immediately take steps to verify any document that appears to be obviously garbled in transmission or improperly formatted to include re-transmission of any such document if necessary.

Purchase Orders under three thousand dollars (\$3,000) in total amount may also be made in person or by telephone using a Commonwealth Procurement VISA Card. When an order is placed by telephone, the Commonwealth agency shall provide the agency name, employee name, credit card number, and expiration date of the card. Contractors agree to accept payment through the use of the Commonwealth Procurement VISA card.

The Commonwealth reserves the right, upon notice to the Contractor, to extend the term of the Contract for up to three (3) months upon the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

3. INDEPENDENT CONTRACTOR

In performing its obligations under the Contract, the Contractor will act as an independent contractor and not as an employee or agent of the Commonwealth.

4. COMPLIANCE WITH LAW

The Contractor shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of the Contract.

5. ENVIRONMENTAL PROVISIONS

In the performance of the Contract, the Contractor shall minimize pollution and shall strictly comply with all applicable environmental laws and regulations.

6. POST-CONSUMER RECYCLED CONTENT

Except as specifically waived by the Department of General Services in writing, any products which are provided to the Commonwealth as a part of the performance of the Contract must meet the minimum percentage levels for total recycled content as specified in Exhibits A-1 through A-8 to these Standard Contract Terms and Conditions - SAP.

7. COMPENSATION

- a. The Contractor shall be required to perform at the price(s) quoted in the Contract. All items shall be performed within the time period(s) specified in the Contract. The Contractor shall be compensated only for items supplied and performed to the satisfaction of the Commonwealth. The Contractor shall not be allowed or paid travel or per diem expenses except as specifically set forth in the Contract.
- b. Unless the Contractor has been authorized by the Commonwealth for Evaluated Receipt Settlement or Vendor Self-Invoicing, the Contractor shall send an Invoice Itemized by purchase order line item to the address referenced on the Purchase Order promptly after

items are satisfactorily delivered. The invoice should include only amounts due under the Contract/Purchase Order. The Purchase Order number must be included on all invoices. In addition, the Commonwealth shall have the right to require the Contractor to prepare and submit a "Work In Progress" sheet that contains, at a minimum, the tasks performed, number of hours, hourly rates, and the purchase order or task order to which it refers.

8. PAYMENT

- a. The Commonwealth shall put forth reasonable efforts to make payment by the required payment date. The required payment date is: (a) the date on which payment is due under the terms of the Contract; (b) thirty (30) days after a proper invoice actually is received at the "Bill To" address if a date on which payment is due is not specified in the Contract (a "proper" invoice is not received until the Commonwealth accepts the service as satisfactorily performed); or (c) the payment date specified on the invoice if later than the dates established by (a) and (b) above. Payment may be delayed if the payment amount on an invoice is not based upon the price(s) as stated in the Contract. If any payment is not made within fifteen (15) days after the required payment date, the Commonwealth may pay interest as determined by the Secretary of Budget in accordance with Act No. 266 of 1982 and regulations promulgated pursuant thereto. Payment should not be construed by the Contractor as acceptance of the service performed by the Contractor. The Commonwealth reserves the right to conduct further testing and inspection after payment, but within a reasonable time after performance, and to reject the service if such post payment testing or inspection discloses a defect or a failure to meet specifications. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other obligation of the Contractor or its subsidiaries to the Commonwealth against any payments due the Contractor under any contract with the Commonwealth.
- b. The Commonwealth shall have the option of using the Commonwealth purchasing card to make purchases under the Contract or Purchase Order. The Commonwealth's purchasing card is similar to a credit card in that there will be a small fee which the Contractor will be required to pay and the Contractor will receive payment directly from the card issuer rather than the Commonwealth. Any and all fees related to this type of payment are the responsibility of the Contractor. In no case will the Commonwealth allow increases in prices to offset credit card fees paid by the Contractor or any other charges incurred by the Contractor, unless specifically stated in the terms of the Contract or Purchase Order.

9. TAXES

The Commonwealth is exempt from all excise taxes imposed by the Internal Revenue Service and has accordingly registered with the Internal Revenue Service to make tax free purchases under Registration No. 23740001-K. With the exception of purchases of the following items, no exemption certificates are required and none will be issued: undyed diesel fuel, tires, trucks, gas guzzler emergency vehicles, and sports fishing equipment. The Commonwealth is also exempt from Pennsylvania state sales tax, local sales tax, public transportation assistance taxes and fees and vehicle rental tax. The Department of Revenue regulations provide that exemption certificates are not required for sales made to governmental entities and none will be issued. Nothing in this paragraph is meant to exempt a construction contractor from the payment of any of these taxes or fees which are required to be paid with respect to the purchase, use, rental, or lease of tangible personal property or taxable services used or transferred in connection with the performance of a construction contract.

10. WARRANTY

The Contractor warrants that all items furnished and all services performed by the Contractor, its agents and subcontractors shall be free and clear of any defects in workmanship or materials. Unless otherwise stated in the Contract, all items are warranted for a period of one year following delivery by the Contractor and acceptance by the Commonwealth. The Contractor shall repair, replace or otherwise correct any problem with the delivered item. When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Commonwealth.

11. PATENT, COPYRIGHT, AND TRADEMARK INDEMNITY

The Contractor warrants that it is the sole owner or author of, or has entered into a suitable legal agreement concerning either: a) the design of any product or process provided or used in the performance of the Contract which is covered by a patent, copyright, or trademark registration or other right duly authorized by state or federal law or b) any copyrighted matter in any report document or other material provided to the commonwealth under the contract. The Contractor shall defend any suit or proceeding brought against the Commonwealth on account of any alleged patent, copyright or trademark infringement in the United States of any of the products provided or used in the performance of the Contract. This is upon condition that the Commonwealth shall provide prompt notification in writing of such suit or proceeding; full right, authorization and opportunity to conduct the defense thereof; and full information and all reasonable cooperation for the defense of same. As principles of governmental or public law are involved, the Commonwealth may participate in or choose to conduct, in its sole discretion, the defense of any such action. If information and assistance are furnished by the Commonwealth at the Contractor's written request, it shall be at the Contractor's expense, but the responsibility for such expense shall be only that within the Contractor's written authorization. The Contractor shall indemnify and hold the Commonwealth harmless from all damages, costs, and expenses, including attorney's fees that the Contractor or the Commonwealth may pay or incur by reason of any infringement or violation of the rights occurring to any holder of copyright, trademark, or patent interests and rights in any products provided or used in the performance of the Contract. If any of the products provided by the Contractor in such suit or proceeding are held to constitute infringement and the use is enjoined, the Contractor shall, at its own expense and at its option, either procure the right to continue use of such infringement products, replace them with non-infringement equal performance products or modify them so that they are no longer infringing. If the Contractor is unable to do any of the preceding, the Contractor agrees to remove all the equipment or software which are obtained contemporaneously with the infringing product, or, at the option of the Commonwealth, only those items of equipment or software which are held to be infringing, and to pay the Commonwealth: 1) any amounts paid by the Commonwealth towards the purchase of the product, less straight line depreciation; 2) any license fee paid by the Commonwealth for the use of any software, less an amount for the period of usage; and 3) the pro rata portion of any maintenance fee representing the time remaining in any period of maintenance paid for. The obligations of the Contractor under this paragraph continue without time limit. No costs or expenses shall be incurred for the account of the Contractor without its written consent.

12. OWNERSHIP RIGHTS

The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

13. ASSIGNMENT OF ANTITRUST CLAIMS

The Contractor and the Commonwealth recognize that in actual economic practice, overcharges by the Contractor's suppliers resulting from violations of state or federal antitrust laws are in fact borne by the Commonwealth. As part of the consideration for the award of the Contract, and intending to be legally bound, the Contractor assigns to the Commonwealth all right, title and interest in and to any claims the Contractor now has, or may acquire, under state or federal antitrust laws relating to the products and services which are the subject of this Contract.

14. HOLD HARMLESS PROVISION

The Contractor shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based upon or arising out of any activities performed by the Contractor and its employees and agents under this Contract and shall, at the request of the Commonwealth, defend any and all actions brought against the Commonwealth based upon any such claims or demands.

15. AUDIT PROVISIONS

The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of the Contractor to the extent that the books, documents and records relate to costs or pricing data for the Contract. The Contractor agrees to maintain records which will support the prices charged and costs incurred for the Contract. The Contractor shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a

period of three (3) years from date of final payment. The Contractor shall give full and free access to all records to the Commonwealth and/or their authorized representatives.

16. INSPECTION AND REJECTION

No item(s) received by the Commonwealth shall be deemed accepted until the Commonwealth has had a reasonable opportunity to inspect the item(s). Any item(s) which is discovered to be defective or fails to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the item(s) or the noncompliance with the specifications were not reasonably ascertainable upon the initial inspection. It shall thereupon become the duty of the Contractor to remove rejected item(s) from the premises without expense to the Commonwealth within fifteen (15) days after notification. Rejected item(s) left longer than fifteen (15) days will be regarded as abandoned, and the Commonwealth shall have the right to dispose of them as its own property and shall retain that portion of the proceeds of any sale which represents the Commonwealth's costs and expenses in regard to the storage and sale of the item(s). Upon notice of rejection, the Contractor shall immediately replace all such rejected item(s) with others conforming to the specifications and which are not defective. If the Contractor fails, neglects or refuses to do so, the Commonwealth shall then have the right to procure a corresponding quantity of such item(s), and deduct from any monies due or that may thereafter become due to the Contractor, the difference between the price stated in the Contract and the cost thereof to the Commonwealth.

17. DEFAULT

- a. The Commonwealth may, subject to the provisions of Paragraph 18, Force Majeure, and in addition to its other rights under the Contract, declare the Contractor in default by written notice thereof to the Contractor, and terminate (as provided in Paragraph 19, Termination Provisions) the whole or any part of this Contract or any Purchase Order for any of the following reasons:
 - 1) Failure to begin work within the time specified in the Contract or Purchase Order or as otherwise specified;
 - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract or Purchase Order terms;
 - 3) Unsatisfactory performance of the work;
 - 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
 - 5) Improper delivery;
 - 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
 - 7) Delivery of a defective item;
 - 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
 - 9) Discontinuance of work without approval;
 - 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
 - 11) Insolvency or bankruptcy;
 - 12) Assignment made for the benefit of creditors;
 - 13) Failure or refusal within 10 days after written notice by the Contracting Officer, to make payment or show cause why payment should not be made, of any amounts due for materials furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
 - 14) Failure to protect, to repair, or to make good any damage or injury to property; or
 - 15) Breach of any provision of the Contract.
- b. In the event that the Commonwealth terminates this Contract or any Purchase Order in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and the Contractor shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order.

- c. If the Contract or a Purchase Order is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require the Contractor to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Issuing Office, such partially completed items, including, where applicable, reports, working papers and other documentation, as the Contractor has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially completed items including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by the Contractor and Contracting Officer. The Commonwealth may withhold from amounts otherwise due the Contractor for such completed or partially completed works, such sum as the Contracting Officer determines to be necessary to protect the Commonwealth against loss.
- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of the Contractor's administrative remedies as set forth in Paragraph 20, the Contractor's exclusive remedy shall be to seek damages in the Board of Claims.

18. FORCE MAJEURE

Neither party will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but aren't limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

The Contractor shall notify the Commonwealth orally within five (5) days and in writing within ten (10) days of the date on which the Contractor becomes aware, or should have reasonably become aware, that such cause would prevent or delay its performance. Such notification shall (i) describe fully such cause(s) and its effect on performance, (ii) state whether performance under the contract is prevented or delayed and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. The Contractor shall have the burden of proving that such cause(s) delayed or prevented its performance despite its diligent efforts to perform and shall produce such supporting documentation as the Commonwealth may reasonably request. After receipt of such notification, the Commonwealth may elect to cancel the Contract, cancel the Purchase Order, or to extend the time for performance as reasonably necessary to compensate for the Contractor's delay.

In the event of a declared emergency by competent governmental authorities, the Commonwealth by notice to the Contractor, may suspend all or a portion of the Contract or Purchase Order.

19. TERMINATION PROVISIONS

The Commonwealth has the right to terminate this Contract or any Purchase Order for any of the following reasons. Termination shall be effective upon written notice to the Contractor.

- a. **TERMINATION FOR CONVENIENCE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.
- b. **NON-APPROPRIATION:** The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds(state and/or federal) are not

appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid for any appropriations available for that purpose

- c. **TERMINATION FOR CAUSE:** The Commonwealth shall have the right to terminate the Contract or a Purchase Order for Contractor default under Paragraph 17. Default, upon written notice to the Contractor. The Commonwealth shall also have the right, upon written notice to the Contractor, to terminate the Contract or a Purchase Order for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or a Purchase Order for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order shall be deemed to have been terminated for convenience under the Subparagraph 19.a.

20. **CONTRACT CONTROVERSIES**

- a. In the event of a controversy or claim arising from the Contract, the Contractor must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the Contractor asserts a controversy exists. If the Contractor fails to file a claim or files an untimely claim, the Contractor is deemed to have waived its right to assert a claim in any forum.
- b. The contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the Contractor. The contracting officer shall send his/her written determination to the Contractor. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the Contractor may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the Contractor shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the Contractor pursuant to the terms of the Contract.

21. **ASSIGNABILITY AND SUBCONTRACTING**

- a. Subject to the terms and conditions of this Paragraph 21, this Contract shall be binding upon the parties and their respective successors and assigns.
- b. The Contractor shall not subcontract with any person or entity to perform all or any part of the work to be performed under this Contract without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- c. The Contractor may not assign, in whole or in part, this Contract or its rights, duties, obligations, or responsibilities hereunder without the prior written consent of the Contracting Officer, which consent may be withheld at the sole and absolute discretion of the Contracting Officer.
- d. Notwithstanding the foregoing, the Contractor may, without the consent of the Contracting Officer, assign its rights to payment to be received under the Contract, provided that the Contractor provides written notice of such assignment to the Contracting Officer together with a written acknowledgement from the assignee that any such payments are subject to all of the terms and conditions of this Contract.

- e. For the purposes of this Contract, the term "assign" shall include, but shall not be limited to, the sale, gift, assignment, pledge, or other transfer of any ownership interest in the Contractor provided, however, that the term shall not apply to the sale or other transfer of stock of a publicly traded company.
- f. Any assignment consented to by the Contracting Officer shall be evidenced by a written assignment agreement executed by the Contractor and its assignee in which the assignee agrees to be legally bound by all of the terms and conditions of the Contract and to assume the duties, obligations, and responsibilities being assigned.
- g. A change of name by the Contractor, following which the Contractor's federal identification number remains unchanged, shall not be considered to be an assignment hereunder. The Contractor shall give the Contracting Officer written notice of any such change of name.

22. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

During the term of the Contract, the Contractor agrees as follows:

- a. In the hiring of any employees for the manufacture of supplies, performance of work, or any other activity required under the Contract or any subcontract, the Contractor, subcontractor or any person acting on behalf of the Contractor or subcontractor shall not by reason of gender, race, creed, or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work or any other activity required under the Contract on account of gender, race, creed, or color.
- c. The Contractor and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
- d. The Contractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- e. The Contractor and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by the contracting officer and the Department of General Services' Bureau of Contract Administration and Business Development for purposes of investigation to ascertain compliance with the provisions of this Nondiscrimination/Sexual Harassment Clause. If the Contractor or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting officer or the Bureau of Contract Administration and Business Development.
- f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.
- g. The Commonwealth may cancel or terminate the Contract, and all money due or to become due under the Contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility file.

23. CONTRACTOR INTEGRITY PROVISIONS

- a. For purposes of this clause only, the words "confidential information," "consent," "contractor," "financial interest," and "gratuity" shall have the following definitions.

- 1) **Confidential information** means information that is not public knowledge, or available to the public on request, disclosure of which would give an unfair, unethical, or illegal advantage to another desiring to contract with the Commonwealth.
 - 2) **Consent** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this agreement.
 - 3) **Contractor** means the individual or entity that has entered into the Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a five percent interest.
 - 4) **Financial interest** means:
 - a) Ownership of more than a five percent interest in any business; or
 - b) Holding a position as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
 - 5) **Gratuity** means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind.
- b. The Contractor shall maintain the highest standards of integrity in the performance of the Contract and shall take no action in violation of state or federal laws, regulations, or other requirements that govern contracting with the Commonwealth.
 - c. The Contractor shall not disclose to others any confidential information gained by virtue of the Contract.
 - d. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly, or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the Commonwealth.
 - e. The Contractor shall not, in connection with this or any other agreement with the Commonwealth, directly or indirectly, offer, give, or agree or promise to give to anyone any gratuity for the benefit of or at the direction or request of any officer or employee of the Commonwealth.
 - f. Except with the consent of the Commonwealth, neither the Contractor nor anyone in privity with him or her shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under the Contract except as provided therein.
 - g. Except with the consent of the Commonwealth, the Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project.
 - h. The Contractor, upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
 - i. The Contractor, by execution of the Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies, and represents that he or she has not violated any of these provisions.
 - j. The Contractor, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to the Contractor's integrity or

responsibility, as those terms are defined by the Commonwealth's statutes, regulations, or management directives. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents or files of any type or form which refers to or concern the Contract. Such information shall be retained by the Contractor for a period of three years beyond the termination of the Contract unless otherwise provided by law.

- k. For violation of any of the above provisions, the Commonwealth may terminate this and any other agreement with the Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Contractor to complete performance hereunder, and debar and suspend the Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

24. CONTRACTOR RESPONSIBILITY PROVISIONS

a. The Contractor certifies, for itself and all its subcontractors, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any subcontractors, nor any suppliers are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid, a written explanation of why such certification cannot be made.

b. The Contractor also certifies, that as of the date of its execution of this Bid/Contract, it has no tax liabilities or other Commonwealth obligations.

c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.

e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth, which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.

f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No. (717) 783-6472
FAX No. (717) 787-9138

25. AMERICANS WITH DISABILITIES ACT

a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As

a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.

- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph a above.

26. HAZARDOUS SUBSTANCES

The Contractor shall provide information to the Commonwealth about the identity and hazards of hazardous substances supplied or used by the Contractor in the performance of the Contract. The Contractor must comply with Act 159 of October 5, 1984, known as the "Worker and Community Right to Know Act" (the "Act") and the regulations promulgated pursuant thereto at 4 Pa. Code Section 301.1 et seq.

- a. Labeling. The Contractor shall insure that each individual product (as well as the carton, container or package in which the product is shipped) of any of the following substances (as defined by the Act and the regulations) supplied by the Contractor is clearly labeled, tagged or marked with the information listed in Paragraph (1) through (4):
- 1) Hazardous substances:
 - a) The chemical name or common name,
 - b) A hazard warning, and
 - c) The name, address, and telephone number of the manufacturer.
 - 2) Hazardous mixtures:
 - a) The common name, but if none exists, then the trade name,
 - b) The chemical or common name of special hazardous substances comprising .01% or more of the mixture,
 - c) The chemical or common name of hazardous substances consisting 1.0% or more of the mixture,
 - d) A hazard warning, and
 - e) The name, address, and telephone number of the manufacturer.
 - 3) Single chemicals:
 - a) The chemical name or the common name,
 - b) A hazard warning, if appropriate, and
 - c) The name, address, and telephone number of the manufacturer.
 - 4) Chemical Mixtures:
 - a) The common name, but if none exists, then the trade name,
 - b) A hazard warning, if appropriate,
 - c) The name, address, and telephone number of the manufacturer, and

d) The chemical name or common name of either the top five substances by volume or those substances consisting of 5.0% or more of the mixture.

A common name or trade name may be used only if the use of the name more easily or readily identifies the true nature of the hazardous substance, hazardous mixture, single chemical, or mixture involved.

Container labels shall provide a warning as to the specific nature of the hazard arising from the substance in the container.

The hazard warning shall be given in conformity with one of the nationally recognized and accepted systems of providing warnings, and hazard warnings shall be consistent with one or more of the recognized systems throughout the workplace. Examples are:

- NFPA 704, Identification of the Fire Hazards of Materials.
- National Paint and Coatings Association: Hazardous Materials Identification System.
- American Society for Testing and Materials, Safety Alert Pictorial Chart.
- American National Standard Institute, Inc., for the Precautionary Labeling of Hazardous Industrial Chemicals.

Labels must be legible and prominently affixed to and displayed on the product and the carton, container, or package so that employees can easily identify the substance or mixture present therein.

- b. Material Safety Data Sheet. The contractor shall provide Material Safety Data Sheets (MSDS) with the information required by the Act and the regulations for each hazardous substance or hazardous mixture. The Commonwealth must be provided an appropriate MSDS with the initial shipment and with the first shipment after an MSDS is updated or product changed. For any other chemical, the contractor shall provide an appropriate MSDS, if the manufacturer, importer, or supplier produces or possesses the MSDS. The contractor shall also notify the Commonwealth when a substance or mixture is subject to the provisions of the Act. Material Safety Data Sheets may be attached to the carton, container, or package mailed to the Commonwealth at the time of shipment.

27. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Commonwealth shall have the right to terminate the Contract without liability or in its discretion to deduct from the Contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

28. APPLICABLE LAW

This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. The Contractor consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal courts in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. The Contractor agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania law.

29. INTEGRATION

The RFQ - Invitation For Bids form, the Contract form, including all referenced documents, and any Purchase Order constitutes the entire agreement between the parties. No agent, representative, employee or officer of either the Commonwealth or the Contractor has authority to make, or has made, any statement, agreement or representation, oral or written, in connection with the Contract, which in any

way can be deemed to modify, add to or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment signed by both parties. All such amendments will be made using the appropriate Commonwealth form.

30. CHANGES

The Commonwealth reserves the right to **make changes** at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the Contractor that the Commonwealth is exercising any Contract renewal or extension option; or 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such **change shall be made by the Contracting Officer by notifying the Contractor in writing.** The **change** shall be effective as of the date of the **change**, unless the **notification of change** specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contract, nor, if performance security is being furnished in conjunction with the Contract, release the security obligation. The Contractor agrees to provide the service in accordance with the change order. Any dispute by the Contractor in regard to the performance required **by any notification of change** shall be handled through Paragraph 19, "Contract Controversies".

**EXHIBIT A-1
 CONSTRUCTION PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All construction products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Construction Products	Material	% of Post-Consumer Materials	% of Total Recovered Materials
Structural Fiberboard	Recovered Materials	-	80
Laminated Paperboard	Post-consumer Paper	100	-
Rock Wool Insulation	Slag	-	75
Fiberglass Insulation	Glass Cullet	-	20
Cellulose Insulation (loose-fill and spray-on)	Post-consumer Paper	75	-
Perlite Composite Board Insulation	Post-consumer Paper	23	-
Plastic Rigid Foam, Polyisocyanurate/ Polyurethane: Rigid Foam Insulation	Recovered Material	-	9
Foam-in-Place Insulation	Recovered Material	-	5
Glass Fiber Reinforced Insulation	Recovered Material	-	6
Phenolic Rigid Foam Insulation	Recovered Material	-	5
Floor Tiles (heavy duty/commercial use)	Rubber	90	-
	Plastic	-	90
Patio Blocks	Rubber or Rubber Blends	90	-
	Plastic or Plastic Blends	-	90
Polyester Carpet Fiber Face	Polyethylene terephthalate (PET) resin	25	-
Latex Paint: --Consolidated ¹ --Reprocessed ² ----White, Off-White, Pastel Colors ----Grey, Brown, Earthtones, and Other Dark Colors	Recovered Material	100	-
	Recovered Material	20	-
	Recovered Material	50	-
Shower and Restroom Dividers/Partitions:	Plastic	20	-
	Steel ⁴	16	9
		67	33
Carpet Cushion: --Bonded Polyurethane --Jute --Synthetic Fibers --Rubber	Old Carpet Cushion	15	-
	Burlap	40	-
	Carpet Fabrication Scrap	-	100
	Tire Rubber	60	-
Railroad Grade Crossing Surfaces --Concrete --Rubber ³ --Steel ⁴	Coal Fly Ash	-	15
	Tire Rubber	-	85
	Steel	16	9
		67	33

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

¹ Consolidated latex paint used for covering graffiti, where color and consistency of performance are not primary concerns.

² Reprocessed latex paint used for interior and exterior architectural applications such as wallboard, ceiling, and trim; gutterboards; and concrete, stucco, masonry, wood, and metal surfaces.

³The recommended recovered materials content for rubber railroad grade crossing surfaces are based on the weight of the raw materials, exclusive of any additives such as binders or additives

⁴ The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the construction product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the construction product(s), to provide the Commonwealth with documentary evidence that the construction product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-2
VEHICULAR PRODUCTS
RECYCLED CONTENT**

(A) **REQUIREMENT**

All vehicular products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Vehicular Product	Requirements
Re-Refined Oil	25% re-refined oil base stock for engine lubricating oils, hydraulic fluids, and gear oils.

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

"Re-refined oil" is oil that is manufactured with a minimum of twenty-five percent basestock made from used oil that has been recovered and processed to make it reusable as oil. Once the oil has been refined, no difference can be detected between re-refined and virgin oil.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the vehicular product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE REFERENCED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the vehicular product(s), to provide the Commonwealth with documentary evidence that the vehicular product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-3
 PAPER PRODUCTS
 RECYCLED CONTENT**

(A) **REQUIREMENT**

All paper offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer content as shown below for the applicable products:

Item	Notes	Post-Consumer Content (%)
Printing and Writing Papers		
Reprographic	Business papers such as bond, electrostatic, copy, mimeo, duplicator and reproduction	30
Offset	Used for book publishing, commercial printing, direct mail, technical documents, and manuals	30
Tablet	Office paper such as note pads and notebooks	30
Forms bond	Bond type papers used for business forms such as continuous, cash register, sales book, unit sets, and computer printout, excluding carbonless	30
Envelope	Wave Kraft, white and colored (including manila) Kraft, unbleached Excludes custom envelopes	30 10 10
Cotton fiber	High-quality papers used for stationery, invitations, currency, ledgers, maps, and other specialty items	30
Text and cover	Premium papers used for cover stock, books, and stationery and matching envelopes	30
Supercalendered	Groundwood paper used for advertising and mail order inserts, catalogs, and some magazines	10
Machine finished groundwood	Groundwood paper used in magazines and catalogs	10
Papeteries	Used for invitations and greeting cards	30
Check safety	Used in the manufacture of commercial and government checks	10
Coated	Used for annual reports, posters, brochures, and magazines. Have gloss, dull, or matte finishes	10
Carbonless	Used for multiple-impact copy forms	30
File folders	Manila or colored	30
Dyed filing products	Used for multicolored hanging folders and wallet files	20
Index and card stock	Used for index cards and postcards	20
Pressboard	High-strength paperboard used in binders and report covers	20
Tags and tickets	Used for toll and lottery tickets, licenses, and	20

identification and tabulating cards		
Newsprint		
Newsprint	Groundwood paper used in newspapers	20
Commercial Sanitary Tissue Products		
Bathroom tissue	Used in rolls or sheets	20
Paper towels	Used in rolls or sheets	40
Paper napkins	Used in food service applications	30
Facial tissue	Used for personal care	10
General-purpose industrial wipers	Used in cleaning and wiping applications	40
Paperboard and Packaging Products		
Corrugated containers (<300 psi) (300 psi)	Used for packaging and shipping a variety of goods	25
		25
		40
Solid fiber boxes	Used for specialized packaging needs such as dynamite packaging and army ration boxes	
Folding cartons	Used to package a wide variety of foods, household products, cosmetics, pharmaceuticals, detergent, and hardware	40
Industrial paperboard	Used to create tubes, cores, cans and drums	45
Miscellaneous	Includes "chipboard" pad backings, book covers, covered binders, mailing tubes, game boards, and puzzles	75
Padded mailers	Made from kraft paper that is usually brown but can be bleached white	5
Carrierboard	A type of folding carton designed for multipack beverage cartons	10
Brown papers	Used for bags and wrapping paper	5
Miscellaneous Paper Products		
Tray liners	Used to line food service trays. Often contain printed information.	50

"Post-consumer" content is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer content is part of the broader category of recovered material."

The Commonwealth of Pennsylvania recognizes that paper products are universally made with scrap material recovered from the manufacturing process; use of such materials is a standard practice, both efficient and economical for the paper maker; therefore, bidders of paper products need not certify that their products are made with "pre-consumer," "recovered," or "secondary" paper fiber.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the paper product(s) which the bidder is offering contains the required minimum percentage of post-consumer content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a mill certification must be completed and signed by the mill before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper product(s), to provide the Commonwealth with documentary evidence that the paper product(s) were in fact produced with the required minimum percentage of post-consumer content.

**EXHIBIT A-4
 LANDSCAPING PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All landscaping products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth must contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Landscaping Products	Recovered Material Content
Hydraulic Mulch: -----Paper -----Wood/Paper	100% (post-consumer) 100% (total)
Compost Made From Yard Trimmings and/or Food Waste	Purchase or use compost made from yard trimmings, leaves, grass clippings and/or food wastes for applications such as landscaping, seeding of grass or other plants, as nutritious mulch under trees and shrubs, and in erosion control and soil reclamation. DGS further recommends implementing a composting system for these materials when agencies have an adequate volume and sufficient space.
Garden Hose: -----Rubber and/or Plastic	60% (post-consumer)
Soaker Hose: -----Rubber and/or Plastic	60% (post-consumer)
Lawn and Garden Edging: -----Rubber and/or Plastic	30% (post-consumer)/30-100% (total)
Landscaping Timber and Posts: -----HDPE -----Mixed Plastics/Sawdust -----HDPE/Fiberglass -----Other mixed Resins	25% (post-consumer) + 50% (recovered) 50% (post-consumer) + 50% (recovered) 75% (post-consumer) + 20% (recovered) 50% (post-consumer) + 45% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) BIDDER'S CERTIFICATION

Bidder certifies that the landscaping product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) MANUFACTURER/MILL CERTIFICATION

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) ENFORCEMENT

Awarded bidders may be required, after delivery of the landscaping product(s), to provide the Commonwealth with documentary evidence that the landscaping product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-5
 MISCELLANEOUS PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All miscellaneous products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth must contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Miscellaneous Products	Recovered Material Content
Awards and Plaques	
-----Glass	75% (post-consumer) + 25% (recovered)
-----Wood	100% (total)
-----Paper	40% (post-consumer)
-----Plastic and Plastic/Wood Composites	50% (post-consumer) + 45% (recovered)
Industrial Drums	
-----Steel ¹	16% (post-consumer) + 9% (recovered)
-----Plastic (HDPE)	30% (post-consumer)
-----Fiber (paper)	100% (post-consumer)
Mats	
-----Rubber	75% (post-consumer) + 10% (recovered)
-----Plastic	10% (post-consumer) + 90% (recovered)
-----Rubber/Plastic Composite	100% (post-consumer)
Pallets	
-----Wood	95% (post-consumer)
-----Plastic	100% (post-consumer)
-----Thermoformed	25% (post-consumer)
-----Paperboard	50% (post-consumer)
Signage	
-----Plastic	80% (post-consumer)
-----Aluminum	25% (post-consumer)
-----Plastic Sign Posts/Supports	80% (post-consumer)
-----Steel Sign Posts/Supports ²	16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)
Sorbents	
-----Paper	90% (post-consumer) + 10% (recovered)
-----Textiles	95% (post-consumer)
-----Plastics	25% (total)
-----Wood ³	100% (total)
-----Other Organics/Multimaterials ⁴	100% (total)
Manual-Grade Strapping	
-----Polyester	50% (post-consumer)
-----Polypropylene	10% (total)
-----Steel ²	16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

¹ Steel used in steel drums is manufactured using the Basic Oxygen Furnace (BOF) process, which contains 25-30% total recovered material, of which 16% is post-consumer steel. Steel used in manual-grade strapping is manufactured using either the BOF process or the Electric Arc Furnace (EAF) process, which contains 100% total recovered materials, of which 67% is post-consumer steel.

² The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

³ "Wood" includes materials such as sawdust and lumber mill trimmings.

⁴ Examples of other organics include, but are not limited to, peanut hulls and corn stover. An example of multimaterial sorbents would include, but not be limited to, a polymer and cellulose fiber combination.

² The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured in either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the miscellaneous product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the miscellaneous product(s), to provide the Commonwealth with documentary evidence that the miscellaneous product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-6
 NONPAPER OFFICE PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All nonpaper office products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Nonpaper Office Product	Recovered Material Content
Recycling Containers and Waste Receptacles: -----Plastic -----Steel ¹ -----Paper -----Corrugated -----Solid Fiber Boxes -----Industrial Paperboard	20% (post-consumer) 16% (post-consumer) +9% (recovered) 25% (post-consumer) 40% (post-consumer) 40% (post-consumer) + 60% (recovered)
Plastic Desktop Accessories (polystyrene) including desk organizers, sorters, and trays, and memo, note, and pencil holders.	25% (post-consumer)
Binders: -----Plastic-Covered -----Paper-Covered -----Pressboard -----Solid Plastic -----HDPE -----PE -----PET -----Misc. Plastics	25% 75% (post-consumer) +15% (recovered) 20% (post-consumer) + 30% (recovered) 90% (post-consumer) 30% (post-consumer) 100% (post-consumer) 80% (post-consumer)
Trash Bags (plastic)	10% (post-consumer)
Toner Cartridges	Return used toner cartridges for remanufacturing and reuse or purchase a remanufactured or recycled-content replacement cartridge.
Printer Ribbons	Procure printer ribbon reinking or reloading services or procure reinked or reloaded printer ribbons.
Plastic Envelopes	25% (post-consumer)
Plastic Clipboards: -----HDPE -----PS -----Misc. Plastics	90% (post-consumer) 50% (post-consumer) 15% (post-consumer)
Plastic File Folders -----HDPE	90% (post-consumer)
Plastic Clip Portfolios -----HDPE	90% (post-consumer)
Plastic Presentation Folders -----HDPE	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

¹ The recommended recovered materials content levels for steel in this table reflect the fact that the designated item is made from steel manufactured from in a Basic Oxygen Furnace (BOF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel.

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(B) **BIDDER'S CERTIFICATION**

Bidder certifies that the nonpaper office products which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) **MANUFACTURER/MILL CERTIFICATION**

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) **ENFORCEMENT**

Awarded bidders may be required, after delivery of the paper, to provide the Commonwealth with documentary evidence that the nonpaper office product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

**EXHIBIT A-7
 PARK & RECREATION PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All park and recreation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth **must** contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Park & Recreation Product	Recovered Material Content¹
Park Benches & Picnic Tables:	
-----Plastic ²	90% (post-consumer) + 10% (recovered)
-----Plastic Composites	50% (post-consumer) + 50% (recovered)
-----Aluminium	25% (post-consumer)
-----Concrete	15% (total)
-----Steel ³	16% (post-consumer) + 9% (recovered)
	67% (post-consumer) + 33% (recovered)
Plastic Fencing for Specified Uses⁴	60% (post-consumer) + 30% (recovered)
Playground Equipment	
-----Plastic ²	90% (post-consumer) + 10% (recovered)
-----Plastic Composites	50% (post-consumer) + 45% (recovered)
-----Steel ⁴	16% (post-consumer) + 9% (recovered)
	67% (post-consumer) + 33% (recovered)
-----Aluminium	25% (post-consumer)
Playground Surfaces:	
-----Plastic or Rubber	90% (post-consumer)
Running Tracks:	
-----Plastic or Rubber	90% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) BIDDER'S CERTIFICATION

Bidder certifies that the park and recreational product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) MANUFACTURER/MILL CERTIFICATION

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) ENFORCEMENT

Awarded bidders may be required, after delivery of the park and recreational product(s), to provide the Commonwealth with documentary evidence that the park and recreational product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

¹ The recommended recovered materials content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

² "Plastic" includes both single and mixed plastic resins. Park benches and picnic tables made with recovered plastic may also contain other recovered materials such as sawdust, wood, or fiberglass. The percentage of these materials contained in the product would also count toward the recovered materials content level of the item.

³ The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

⁴ Designation includes fencing containing recovered plastic for use in controlling snow or sand drifting and as a warning/safety barrier in construction or other applications.

**EXHIBIT A-8
 TRANSPORTATION PRODUCTS
 RECYCLED CONTENT**

(A) REQUIREMENT

All transportation products offered by the bidder, or included in the final product offered by the bidder, and sold to the Commonwealth must contain the minimum percentage of post-consumer and recovered material content as shown below for the applicable products:

Transportation Products	Recovered Material Content ¹
Traffic Cones: -----Plastic (PVC and LDPE) -----Crumb Rubber	50% (recovered) 50% (recovered)
Traffic Barricades (type I and II only): -----Plastic (HDPE, LDPE, PET) -----Steel ² -----Fiberglass	80% (post-consumer) + 20% (recovered) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 100% (recovered)
Parking Stops: -----Plastic and/or Rubber -----Concrete Containing Coal Fly Ash -----Concrete Containing Ground Granulated Blast Furnace Slag	100% (recovered) 20% (recovered) 15% when used as a partial cement replacement as an admixture in concrete. 25% (recovered)
Traffic Control Devices: -----Channelizers: -----Plastic -----Rubber (base only) -----Delineators: -----Plastic -----Rubber (base only) -----Steel (base only) ² -----Flexible Delineators	25% (post-consumer) 100% (post-consumer) 25% (post-consumer) 100% (post-consumer) 16% (post-consumer) + 9% (recovered) 67% (post-consumer) + 33% (recovered) 25% (post-consumer)

"Post-consumer" material is "material or finished product that has served its intended use and has been diverted or recovered from waste destined for disposal, having completed its life as a consumer item. Post-consumer material is part of the broader category of recovered material."

"Recovered Materials" refers to waste materials and by-products which have been recovered or diverted from solid waste, but does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process

(B) BIDDER'S CERTIFICATION

Bidder certifies that the transportation product(s) which the bidder is offering contains the required minimum percentage of post-consumer and recovered material content as shown above for the product.

(C) MANUFACTURER/MILL CERTIFICATION

In addition to the Bidders Certification in Subsection (B), a manufacturer certification must be completed and signed by the manufacturer before payment will be made to the successful bidder for the delivered items. The enclosed Manufacturer/Mill Certification form must be used. Bidders are not required to submit the completed and signed Manufacturer/Mill Certification form with their bids. **THE COMMONWEALTH SHALL HAVE NO OBLIGATION TO PAY FOR THE ITEM(S) UNTIL A PROPERLY COMPLETED AND SIGNED MANUFACTURER/MILL CERTIFICATION IS SUBMITTED FOR THE DELIVERED ITEM.**

(D) ENFORCEMENT

Awarded bidders may be required, after delivery of the transportation product(s), to provide the Commonwealth with documentary evidence that the transportation product(s) were in fact produced with the required minimum percentage of post-consumer and recovered material content.

¹ Content levels are based on the dry weight of the raw materials, exclusive of any additives such as adhesives, binders, or coloring agents.

² The recommended recovered materials content levels for steel in this table reflect the fact that the designated items can be made from steel manufactured from either a Basic Oxygen Furnace (BOF) or an Electric Arc Furnace (EAF). Steel from the BOF process contains 25-30% total recovered materials, of which 16% is post-consumer steel. Steel from the EAF process contains a total of 100% recovered steel, of which 67% is post-consumer.

MANUFACTURER/MILL CERTIFICATION

(To be submitted with invoice for each order)

TO BE COMPLETED BY MANUFACTURER/MILL:

NAME OF MANUFACTURER/MILL: _____

ADDRESS OF MANUFACTURER/MILL: _____

FEDERAL EMPLOYER I.D. NO.: _____

CONTRACT OR REQUISITION NO. _____

NAME OF CONTRACTOR: _____

ADDRESS OF CONTRACTOR: _____

Type of product(s) which the manufacturer/mill furnished to the contractor: _____

CERTIFICATION: I, the undersigned officer of the above-named manufacturer/mill, do hereby certify that I am authorized to provide this certification on behalf of the above-named manufacturer/mill and that the type of product(s) listed above which my company furnished to the contractor named above for the referenced contract or purchase requisition, contained not less than _____% post-consumer materials and _____% recovered materials as those terms are defined in the invitation for bids. I understand that this document is subject to the provisions of the Unsworn Falsification of Authorities Act (18 P.S. Section 4904).

Signature

Name of Signatory

Title

Date

APPENDIX B

SUBCONTRACTOR INFORMATION



VOCATIONAL REHABILITATION SERVICES, INC.

THOMAS M. CARLOCK
PRESIDENT

June 13, 2007

ACS Claims Services
Ms Karen McKendry, President
P.O. Box 257
Mechanicsburg, Pa 17055

Dear Karen,

VRS, Inc. is pleased to present the following service information, as you requested, in response to the program needs of the Bureau of Worker's Compensation. Please be advised that it is the intent of VRS, Inc. to provide services for such programs to ACS Claims Services exclusively.

Should there be anything further needed, please advise. Thank you again for this opportunity and I'm hopeful for a successful working relationship.

Very truly yours,

Michael Ness
Executive Vice President

Corporate Office (800) 367-8775
Allentown (717) 236-6211 Altoona (814) 695-5675 Delaware Valley (610) 277-4404 Erie (814) 833-8388
Harrisburg (717) 236-6211 Pittsburgh (412) 824-0300 Timonium, MD (717) 236-6211 West Virginia (304) 345-9022

Quality Rehabilitation Since 1973
www.vrscorp.com

**MEDICAL CASE MANAGEMENT
And
EXPERT VOCATIONAL SERVICES**

**FOR THE
ACS CLAIMS SERVICES/ BUREAU OF WORKER'S
COMPENSATION**

Presented by:

**Vocational Rehabilitation Services
500 N Progress Ave.
Harrisburg Pa, 17109**

OVERVIEW

VRS, Inc., is pleased to present our service proposal for Rehabilitation Services to the ACS Claims Services/ Bureau of Worker's Compensation. This proposal is intended to illustrate our ability to deliver the technical expertise of experienced Vocational Experts and Registered Nurse Case Managers located in our six full-service regional offices.

For the past 34 years, VRS has been at the forefront of an ever-changing insurance industry as a result of our commitment to employ only the finest professionals. We recruit only individuals with the education, credentials, and a proven record of accomplishment in their respective fields. We provide in-house training on a continuing basis to insure our staff is cognizant of industry as well as statutory developments.

VRS has the commitment and the resources to manage the medical and vocational and aspects of Workers' Compensation claims in a cost-effective professional manner. We can provide innovation as well as dependability, quality, efficiency, and expertise delivered in a manner responsive to ACS Claims Services/ Bureau of Worker's Compensation requirements.

Since 1973 VRS has offered Expert Vocational Services and Field Based Medical Case Management, specifically developed to answer the needs of insurance companies, self-insured employers, third party administrators, state agencies and the legal community. Our objective is to assist in the return to work and or determine the employability of those individuals with disabilities. Our long history of success and long list of happy clients is what sets us apart from the competition.

VRS operates six (6) strategically located offices to service all 67 counties throughout the Commonwealth of Pennsylvania. Each office maintains a full time professional staff to include: Vocational Experts, Medical Case Managers, Job Developers, and full support staff. Please refer to the following directory of VRS locations.

VOCATIONAL REHABILITATION SERVICES, INC.

FULL SERVICE FIELD OFFICES

VRS of Central PA
500 N. Progress Avenue
Harrisburg, PA 17109
(717) 236-6211
(800) 367-8775
(717) 236-6217 FAX

VRS of Altoona
PO Box 295
Duncansville, PA 16635
(814) 695-5675
(814) 695-8018 FAX

VRS of Delaware Valley
2006 Swede Road, 1st Floor
Norristown, PA 19401
(610) 277-4404
(800) 235-7890
(610) 277-5603 FAX

VRS of Northwest PA
2700 W. 21st Street, Suite 22
Erie, PA 16506
(814) 833-8388
(814) 833-8435 FAX

VRS of Pittsburgh
501 Penn Avenue
Turtle Creek, PA 15145
(412) 824-0300
(800) 605-7775
(412) 824-0296 FAX

VRS of Northeast PA
441 Wyoming Avenue
Scranton, PA 18503
(570) 504-4877
(570) 504-4888 FAX

VOCATIONAL EXPERT SERVICES:

In order for ACS CLAIMS SERVICES/ BUREAU OF WORKER'S COMPENSATION to accomplish its goals and responsibilities to its insureds and claimants, it is contracting services to provide comprehensive rehabilitation services, in accordance with all provisions of Act 57, where appropriate.

For pre-Act 57 claims, the greatest cost savings are realized when an insured worker is returned to work at the insured company, or alternative employment within the worker's physical limitation is developed.

On post-Act 57 claims, earning potential analysis is required to achieve maximum indemnity reductions. In light of the recent Commonwealth Court decision on South Hills Health System v. WCAB, the necessity to identify "existing and available" positions, that have been evaluated "in light of the claimants' particular physical, intellectual and vocational limitations", through the use of Department Approved Vocational Experts, will take on an even greater significance in achieving successful resolution.

In order to achieve maximum savings through return to work and earning power analysis, ACS CLAIMS SERVICES/ BUREAU OF WORKER'S COMPENSATION requires and VRS employs only knowledgeable, well trained, experienced Department Approved Vocational Experts.

VRS understands that ACS Claims Services/Bureau of Worker's Compensation has a need for an effective program to:

- 1) Return individuals to gainful employment, or
- 2) Provide vocational assessment and earning power analysis through the use of Expert Vocational Rehabilitation Counselors (Vocational Expert).

The greatest long-term savings are realized through these approaches. VRS firmly believes, and will demonstrate in this proposal that the foundation for this process is the

proper evaluation and assessment of the injured worker. Through this comprehensive assessment, (which includes medical and vocational background history), the Vocational Expert is able to identify the abilities the injured worker possess for returning to gainful employment or determining earning potential. Injured workers will enter the rehabilitation process at different stages, thereby, requiring different levels of intervention.

VRS recognizes that certain injured workers and/or employers may not understand the rehabilitation process. VRS devotes significant effort to educating employers and employees on accomplishing the goals of rehabilitation.

Our work plan demonstrates that a successful program begins with the goal of returning the claimant to work with the insured employer. Certain variables may preclude this option from occurring and, therefore, alternative employment will be pursued as efficiently and cost-effectively as possible. Likewise, on files where actual placement does not occur, we will demonstrate earning power in an efficient and cost-effective manner.

Our work plan demonstrates that a successful program begins with the goal of returning the claimant to work with the insured employer. Certain variables may preclude this option from occurring and, therefore, alternative employment will be pursued as efficiently and cost-effectively as possible. Likewise, on files where actual placement does not occur, we will demonstrate earning power in an efficient and cost-effective manner.

VRS also recognizes that expert testimony may be required. All Vocational Experts are Department of Labor and Industry approved, and fully trained to achieve successful resolution in litigation. Through individualized assessment, needs identification, rehabilitation plan development and education, VRS employees are able to effect the return to work objective of this proposal, as well as provide expert testimony concerning earning power when needed on Act 57 claims.

MEDICAL CASE MANAGEMENT:

In order to manage the medical aspects of Workers' Compensation in a cost effective and professional manner, it is understood that the ACS Claims Services/Bureau of Worker's Compensation intends to provide their claimants with Field Based Medical Case Management by referring files to Registered Nurses with experience in medically managing workers' compensation claims.

To successfully manage lost time, severe, or catastrophic claims, an aggressive well-planned program can quickly identify an efficient cost effective treatment plan. In addition to projecting future costs, the Registered Nurse must assess the medical, rehabilitative and emotional needs of the claimant in order to coordinate medical care.

PA. ADVOCATES INC.

SEAN C. HANAHUE, MA, CDMS, CRC, LPC
President - Director of Vocational Services

Certified Expert Case Management:

- * Workers Compensation
- * Social Security Disability
- * Personal Liability

**To: Karen McKendry- President
ACS Claims Services
PO Box 257 Mechanicsburg PA 17055**

**From: Sean C. Hanahue MA, CDMS, CRC, LPC
President – Director of Rehabilitation Services
925 Northern Blvd. Suite 200
Clarks Summit PA 18411**

Re: Vocational & Medical Case Management

Dear Karen:

Thank you for the opportunity to present our ongoing interest in providing case management services to ACS Services Inc.

PA Advocates was incorporated and began business in 1999. As we begin our 9th year of business, we are very proud of our service to our customers, and the clients we have worked with.

It is significant to note that each of our Vocational Case Managers have at least 17 years of experience in the field of workers compensation and rehabilitation services.

The Senior RN in our medical case management staff has participated in workers compensation services throughout her professional life with over 30 years of experience in the rehabilitation field. Additional field RN's have at least 9 years of hands on – direct case management experience for workers compensation services.

Our service area provides coverage for the entire Commonwealth of Pennsylvania. Our main office is located @ 925 Northern Blvd Suite 200 in Clarks Summit - Northeast PA. Professional staff via vocational or medical case managers are geographically spread out throughout the Commonwealth and work out of home based offices.

925 Northern Blvd. - Suite 200
Clarks Summit, PA 18411
Phone (570) 587-7042 Fax (570) 586-8608

(570) 586-3734 Email: paadvocates@aol

Vocational case management services at PA Advocates has focused on 1) Return to Work - Job Placement and 2) Labor Market Survey's – Earning Capacity Evaluations.

PA Advocates is proud to acknowledge that each and every vocational case manger holds proper professional credentials, and has been accepted as a vocational expert within the Commonwealth of PA. PA Advocate vocational counselors serve as expert witness in both live hearings before administrative law judges, and in depositions.

PA Advocates case management efforts are bound by the Professional Code of Conduct tendered by the governing bodies within our field, specifically the Commission for Certified Rehabilitation Counselors (CRC), the Commission for Certified Disability Management Specialists (CDMS) and the Pennsylvania License for Professional Counselors (LPC).

Vocational tools utilized for job placement efforts include but are not limited to, an extensive job bank of employers throughout the Commonwealth of PA, on site direct contact with potential employers, Internet vocational search engines, local classifieds advertisements and local Career Link – Employment Offices.

PA Advocates also utilizes research material that includes but is not limited to: The Dictionary of Occupational Titles (D.O.T.), The Classification of Jobs (C.O.J.), The O'Net, The Occupational Outlook Handbook (Revised 05-06), The New Guide to Occupational Exploration (Revised–2006), The New Work Life Expectancy Tables (Revised-2006).

PA Advocates also utilizes extensive Labor Market research material via the U.S. Department of Labor and Industry – Bureau of Labor Statistics. This vocational research focuses on an individuals Earning Capacity within the National, Commonwealth of PA, and local Metropolitan Statistical Area (MSA) where each claimant resides.

This wage research offers objective statistical data regarding an individual claimants Earning Capacity not only at an entrée level salary, but also at an average (mean) salary range.

Over the past several years, I have been honored to have the opportunity to present as a featured speaker at local and state wide seminars including the

PA Bureau of Workers Compensation Conferences re 1) The Anatomy of a Labor Market Survey and 2) Cost Containment Issues for Vocational Case Management and Labor Market Survey's. These presentations have provided great feedback from the Workers Compensation Community in all parts of the state, and have assisted our successful outcome in many cases.

Enclosed for your review and utilization are Curriculum Vita's (CV's) for our Vocational and Medical Case management staff. PA Advocates is willing and able to provide any additional documentation as warranted. We extend our best wishes for a healthy and prosperous summer of 2007.

Sincerely:

**Sean C. Hanahue MA, CDMS, CRC, LPC
President and Director of Rehabilitation Services
PA Advocates Inc.**



Vishnesky & Associates

P.O. Box 129 • Marysville, Pennsylvania 17053
(717) 957-3900 • 1-800-745-8236
FAX (717) 957-4218 / FAX 1-800-379-7891

A-P.I. was incorporated in 1986. Our parent corporation is Executive Security and Protection Inc. (ESP) trading as A-P.I. Investigations. 100% of the stock is owned by the company's President and License holder, Michael Vishnesky. A-P.I. is a wholly owned subsidiary of ESP. The Company is divided into two distinct divisions based upon the markets each serves. ESP is the corporation's security and guard division providing physical security services to industry and individuals. A-P.I. provides investigative and surveillance services to its insurance, industrial and governmental clients. The firm does undertake some limited private investigative work for individuals, but the primary focus of A-P.I. is workers compensation for the insurance industry.

Over the past 22 years A-P.I. has continually refined and improved its investigative and surveillance services. Our staff regularly attends workshops and seminars throughout the country to learn the latest surveillance techniques and to work with state of the art equipment. Our commitment is to constantly upgrade our knowledge and equipment to insure that our clients received the best, most cost-effective service.

Our investigative and management staff is available 7 days a week 24 hours a day, as many of our investigations are performed on weekends and holidays. We pride ourselves in have staff with diverse backgrounds in law enforcement, criminal justice, claims and private industry. Mr. Vishnesky is routinely asked to speak to clients on physical plant and equipment security issues, and has participated in providing training to both our clients and their customers.

A-P.I.'s philosophy is to continually utilize a proactive team approach to investigations. The business of surveillance is no different that any other business. We strive to provide solutions to our client's problems, while doing this in an efficient, affordable manner.

A-P.I. has been retained in the past by Insurance Companies, Self-Insured Employers, Third Party Administrators, and Attorney Offices as well as through State Contracts and continues to build partnerships with each and every client. We have worked with all of our clients individually to form a partnership so that we can determine that client's specific needs, requirements and direction. A-P.I. and our partners must be "On the Same Page" at all times so that he wishes of our clients is met.

Michael D. Vishnesky
President / Owner

ICS/The Simons Group LLC

6020 Jonestown Road
Harrisburg, Pennsylvania 17112
717-730-7377 800-692-7404
Fax: 717-730-7433

ICS/The Simons Group is a privately owned investigative firm handling professional and ethical investigative services throughout Pennsylvania.

ICS/The Simons Group is a collaboration of two highly experienced investigative firms specializing in insurance claims. ICS has been providing insurance related investigations for over twenty-eight years. ICS has assisted the state of Pennsylvania in numerous programs such as The State Workers Compensation Fund (SWIF).

Gary Simons, President of ICS/The Simons Group, as well as CEO of The Simons Group based in New Jersey, has many years of experience providing services to the state of Pennsylvania in conjunction with their insurance related programs.

With over twenty investigators throughout the whole state of Pennsylvania, ICS/The Simons Group is able to handle any investigations in a timely and cost effective manner.

ICS/The Simons Group's mission is to provide the highest quality of investigative services with complete integrity, outstanding service and personal attention.

The Courtyard Offices
707 White Horse Pike Suite B-5 Absecon, NJ 08201
(888) 272-0190 (609) 272-0090 Fax: (609) 272-0109
www.thesimonsgroup.net

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF CUMBERLAND
CLERK OF COURT

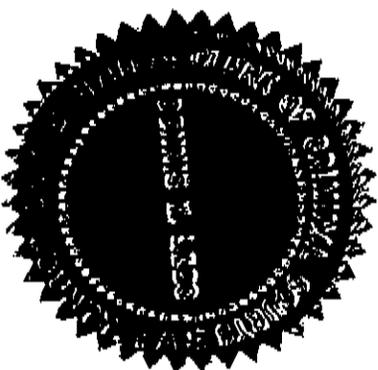


PRIVATE DETECTIVE LICENSE

issued to

ICS-The Simons Group LLC

License No. CP-21-MD-0467-1999



This is to certify that the above named is hereby licensed to conduct a Private Detective Business as defined in and pursuant to the Private Detectives Act of 1953, as amended (Act of August 21, 1953, P.L. 1273, as amended; 22 P.S. 11 et seq.) at the location 4004 East Trindle Road, Camp Hill, Cumberland County, Pennsylvania, said License being issued this 27th Day of October, 2006, to expire on the 10th Day of November, 2011. The applicant for said License as required by Section 4 of the Act afore-said is whose place of business is 4004 East Trindle Road, Camp Hill, Cumberland County, Pennsylvania.

(Note: In the event of a change of said address or place of business, the Court of Common Pleas in and for Cumberland County, Pennsylvania, Criminal Division, shall be duly notified in writing of such change within twenty-four hours thereafter, and failure to give such notification shall be sufficient cause for revocation of this License.)

IN WITNESS WHEREOF, I hereunto set my hand and the official seal of the Court of Common Pleas in and for Cumberland County, Pennsylvania, Criminal Division, this 27th Day of October, 2006.

Dennis E. Lebo

Dennis E. Lebo
Clerk of Court of Cumberland County

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/20/2007

INSURER
Costanza Ins. Agency, Inc
9101 LBJ Freeway
Suite 150
Dallas TX 75243
(972) 991-6084

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

ICS/The Simons Group LLC
Craig Montemurro, Gary Simons, Sherrie Borzok
6020 Jonestown Road
Harrisburg PA 17112

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Steadfast Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGE

POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

ADDITIONAL POLICY NUMBER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> ERRORS AND OMISSIONS GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	EOL9323412-00	08/05/2006	05/05/2007	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & AUTO INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ex. accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE \$ <input type="checkbox"/> RETENTION \$				WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below <input type="checkbox"/> OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 **ARMED PRIVATE INVESTIGATION.

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Pete Costanza

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APPENDIX C
REQUIREMENTS

APPENDIX C REQUIREMENTS

ACS Claim Service, Inc. certifies it is able to process and handle efficiently a minimum of 180 claims and potentially large influxes of claims.

ACS Claim Service, Inc. has the ability and maintains under the current contract for the Bureau segregated checking accounts with the capability to receive electronic wire transfers. ACS Claim Service, Inc. has the ability to reconcile all amounts received with disbursements at any time the Bureau requests reconsideration.

ACS Claim Service, Inc. currently holds \$1,000,000 fidelity bond as required by the current contract and can increase this amount to at least \$2,000,000 as required by the new contract. If the Bureau deems it necessary to increase the bond, ACS Claim Service, Inc. will abide by this request. Attached is a certificate of insurance showing our current bond.

ACS Claim Service, Inc. shall pay benefits on a timely basis in accordance with the provisions of the Acts. If benefits are due and owing to claimants and these are not paid in a timely fashion for matters under its control, ACS Claim Service, Inc. understands that it will forfeit ten (10) percent of its monthly service fee with respect to services rendered in regard to that particular claim.

ACS Claim Service, Inc. shall protect the confidentiality of all files, data or other materials provided by the Bureau. ACS Claim Service, Inc. shall restrict its use of any such data to the performance of the contract. ACS Claim Service, Inc. shall require all individuals with access to confidential information to execute a confidentiality agreement substantially similar to the sample agreement in Appendix D of this RFP.

ACS Claim Service, Inc. shall not incur any attorney's fees with regard to any of the claims to this agreement. In any case in which ACS Claim Service, Inc. feels legal services are necessary, ACS Claim Service, Inc. shall notify our designee and the Deputy of Chief Counsel for Workers' Compensation of the Department's Chief Counsel or his designee.

ACS Claim Service, Inc. will allow access to all claims files created by ACS Claim Service, Inc. by a Bureau-designated employee or representative with reasonable advance notice. ACS Claim Service, Inc. agrees and certifies that all claims files created by ACS Claim Service, Inc. remain the property of the Bureau. Upon termination of the contract and within the time period set by the Bureau, the ACS Claim Service, Inc. shall turn over to the Bureau or to duly designated representative, data regarding all claims administered or processed under the terms of the contract.

ACS Claim Service, Inc. has also included in this section certificate of insurance for our Professional Liability through Houston Casualty Company.

Also, included is a copy of our policy through Hartford Casualty Insurance Company that holds our General Liability, Automobile Liability, Workers' Compensation and Excess Liability Coverage.

ACORD EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY)

7/03/07

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER Wellz Farge Insurance Services of Pennsylvania, Inc. 4900 Ritter Road, Suite 250 Mechanicsburg PA 17055		PHONE (A/C, Ho, Ext): (717) 761-1919		COMPANY Federal Insurance Company	
CODE: AGENCY CUSTOMER ID #: 122482		SUB CODE:		LOAN NUMBER	
INSURED ACS Claim Service, Inc. 2120 Fisher Road Mechanicsburg, PA 17055		POLICY NUMBER 81707522		EFFECTIVE DATE 1/01/07	
		EXPIRATION DATE 1/01/08		<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Fidelity Bond

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Employee Theft Clause A	\$1,000,000	\$10,000
Client Coverage Clause I	\$1,000,000	\$10,000

REMARKS (including special conditions)

Commonwealth of Pennsylvania, Dept of Labor and Industry are Loss Payee As Their Interest May Appear

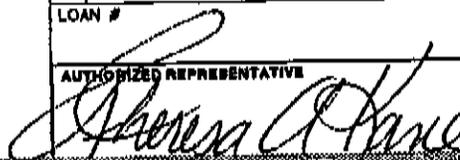
CANCELLATIONTHE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.**ADDITIONAL INTEREST**

NAME AND ADDRESS

Commonwealth of Pennsylvania
Department of Labor & Industry

<input type="checkbox"/>	MORTGAGEE	<input type="checkbox"/>	ADDITIONAL INSURED
<input checked="" type="checkbox"/>	LOSS PAYEE		
LOAN #			

AUTHORIZED REPRESENTATIVE



APPENDIX D

Sample Confidentiality Agreement

I understand that I will or may be exposed to certain confidential data maintained by the Commonwealth of Pennsylvania, Department of Labor and Industry and which was released to my employer, or the following entity to which I have access to confidential records:

This confidential data is described as any record relating to employers, unemployment compensation claimants, workers' compensation claimants or employment services clients of the Department of Labor and Industry, or as more fully described below:

Lists of unemployment compensation claimants and workers' compensation claimants, addresses, contact information, benefit payments, social security numbers or any other personal data.

I understand that I may use the data only in conjunction with certain duties with respect to my employment, as specifically described below:

Creating and maintaining EPC accounts for and processing unemployment compensation payments and workers' compensation indemnity payments to claimants.

I understand that I may not discuss with or reveal to anyone, in any manner, any of the information I obtain from any data received from the Department of Labor and Industry, except to other persons also having authorization to this data, and only for purposes of performing my duties as set forth above. I understand that I may not reveal such information to my friends or family, nor use the information for any personal, commercial or political use.

I understand that the data is confidential and protected by federal and state laws, and that if I improperly use or reveal this confidential information, I may be subject to any sanctions permissible under law. I understand and agree that I will be liable for any damages resulting from my release of confidential information.

I have read this entire statement and understand that the confidential data must be used only for the specific purpose set forth above and that use of this information for any other purpose is strictly prohibited.

(signature)

(date)

(name – print or type)

ACORD - CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
07/03/07

PRODUCER HUB International Pennsylvania LLC 1805 Loucks Road Suite 400 York, PA 17408-7903	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED ACS Claim Service, Inc. Dennis McKendry PO Box 257 Mechanicsburg, PA 17055	INSURER A: Houston Casualty Company	42374
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea. Occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea. accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$ \$ WC STATUTORY LIMITS OTH-ER
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		OTHER Prof Liab	H70710511	01/18/07	01/18/08	\$1,000,000/1,000,000 Each claim/aggregate \$5,000 ded each claim

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

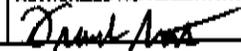
CERTIFICATE HOLDER

Commonwealth of PA
 Dept of Labor & Industry; Bureau of WC
 1171 S Cameron Street, Rm 103
 Harrisburg, PA 17104-2501

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

7/03/07

PRODUCER

Wells Fargo Insurance Services
 4900 Ritter Road, Suite 250
 P.O. Box 1220
 Mechanicsburg PA 17055
 (717) 781-1919

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A Hartford Casualty Insurance Co

COMPANY

B Hartford Underwriters Ins Co

COMPANY

C Twin City Fire Insurance Co

COMPANY

D
INSURED

ACS Claim Service, Inc.
 2120 Fisher Road
 Mechanicsburg, PA 17055

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	44SBATB7232DW	1/01/07	1/01/08	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$
	<input type="checkbox"/> OWNERS' & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 300,000
					MED EXP (Any one person) \$ 10,000
B	AUTOMOBILE LIABILITY	44UEC8E8710DW	1/01/07	1/01/08	COMBINED SINGLE LIMIT \$ 1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
<input checked="" type="checkbox"/> HIRED AUTOS					
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
A	EXCESS LIABILITY	44SBATB7232DW	1/01/07	1/01/08	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$ 1,000,000
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	44WECK80027	1/12/07	1/12/08	<input checked="" type="checkbox"/> WC STAT. <input type="checkbox"/> OTH. ER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$ 500,000
					EL DISEASE-POLICY LIMIT \$ 500,000
					EL DISEASE-EA EMPLOYEE \$ 500,000
OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Proof of Insurance

CERTIFICATE HOLDER

Commonwealth of Pennsylvania
 Dept. of Labor and Industry

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



ACORD 25-5 (1/85)

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07 122482 000

CERTIFICATE: 011/001/ 00016

APPENDIX D

ADDITIONAL CLAIM MANAGEMENT SERVICES,
CLAIM AUDITING.

**APPENDIX D
ADDITIONAL CLAIM HANDLING SERVICE, CLAIM AUDIT PRIOR TO
ENTRY INTO GUARANTY FUND**

In accordance with the permission granted under Part II - Proposal Requirements, ACS Claim Service, Inc. would like the following services considered as part of this RFP. The discussion below highlights a claim auditing service which was not highlighted in the RFP information and is an additional service which should be a required claims management feature of this contract.

ACS Claim Service, Inc. has considerable experience managing the types of claims associated with this contract. This experience has allowed us to formulate additional services which would enhance the security of the Funds associated with these claims, while at the same time confirming the integrity of the claim handling of the claims prior to their submission to the Guaranty Funds or the Pre-Fund Account.

PROBLEM: ACS Claim Service, Inc. is aware that the prior claim handling is an inconsistent product. Our experience discovered claims being handled by:

- Self-insured's own staff, who might not have any workers' compensation claim handling experience, especially as the employer begins to close their facility and staffing adjustment are made.

- Out of state Third Party Administrators, whose staff might not have any Pennsylvania workers' compensation experience or might have gotten these files assigned to it as a last resort claim handling situation, generally brought about due to the payment source drying up as the self-insured moves it's way through it's financial troubles.
- Bonding company personnel who admitted to having no experience in Pennsylvania workers' compensation claim handling.
- Insurance Agent was handling one of the self insured's claims. Though the agency made efforts to handle the claims correctly, they were not equipped nor had the know how to do some of the basic claim handling tasks.

Obviously, the short comings described above create a nightmare when the claims are absorbed into the Guaranty Fund or Pre-Fund. There has to be a concern if the proper benefits were being issued to these injured workers.

We have consistently found that the claims are:

- Reserved inadequately for the exposure that exists.

- Payment was made for medical treatment on injuries outside of the accepted workers' compensation injury.
- Lump sum resolutions were extremely high and above the industry norms.
- Medical bill payment amounts are inaccurate as there was no re-pricing done on the billing.
- Prescription drugs improperly paid and there was no confirmation the drugs were related to the workers' compensation injury.
- Many other claim handling snafu's which can cause obligations to the Bureau when the files are absorbed into the Guaranty Fund or Pre-Fund Account.

We know the self-insured employer puts the Bureau on notice when there is a possibility of defaulting on their self-insured program. The Bureau then monitors the situation for a considerable length of time prior to the claims becoming the burden of the Guaranty Fund or the Pre-Fund Account. They require the claim handler to submit reports to the Bureau which outlines the

number of open claims and the reserve exposures of each claim. However, these reports apparently do not contain any specific claim information, so no evaluation of the claim handling can be made and the problems that are highlighted above are the result.

WORK PLAN: ACS Claim Service, Inc. has discovered during the initial claim review, many of the above highlighted claim handling short comings, when the claims are transferred to the Bureau's Guaranty Fund or Pre-Fund Account. ACS Claim Service, Inc. first task after the review is correcting the problems that exist on each file. This correction hinders our ability to "hit the ground running" with the normal claim handling tasks. Having to correct and educate the parties of the claim, the claimant, the medical provider and the legal representative begins to undermine the positive rapport we try to develop with these parties, hindering the chances of a successful resolution agreement on the claim. We believe a periodic claim audit of the open claims that exist, prior to the submission of these claims to the Guaranty Fund or Pre-Fund Account would be of benefit.

The audit findings would:

- Provide accurate reserve for exposure evaluation.
- Provide a true number of open claim counts.
- Provide positive feed back to the handling TPA on suggested avenues of claim handling tact.

- Confirm the claim is moving towards resolution and the resolutions amounts are within the industry norms.
- Confirm indemnity benefits are being paid timely and correctly and the claimant has not returned to work somewhere else.
- Confirm the medical treatment being paid is for the workers' compensation injury.
- Confirm the proper use of the LIBC forms are being used.

ACS Claim Service, Inc. would perform these audits with claims handlers with significant experience in Pennsylvania workers' compensation claim handling. They would review each claim or a sampling of the claim load (depending on the claim count, time available or specific claim concerns). We would think these reviews would occur at the site of the current claim handler. This is especially true if the claims are still in a paper context. If an electronic data base can provide the needed information, the review can happen from our office. As the result of each claim review, a claim report will be generated containing a brief history of the claim and comments on indemnity benefits, medical benefits, legal action, future file strategy, reserve calculation and a comment on the possibility of claim closure time frames. A full formal narrative report will summarize the full finding of the file review. The Bureau could use this information to evaluate exposure that will exist to the Bureau's funding sources when these claims

become their burden in the future ACS Claim Service, Inc. recognizes the above audit procedure is a new concept for the claims involved with this contract. The claim audit/review might only be need in certain situation and we understand the Bureau can assign these on an as needed basis. However we believe the additional information these audits can provide will make for better planning timeframes for claim transitions and a clearer idea on the claim exposures and funding requirements when the claims become the burden of the Bureau's funding.

In the long run, this could potentially provide a cost savings to the Bureau through closer monitoring of the claims management and the potential to extend the life of the letter of credit or bond.