

THE PORT AUTHORITY OF NY & NJ

**PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FL.
JERSEY CITY, NJ 07302**

7/10/2014

ADDENDUM #2

To prospective Proposer(s) on RFP # 38391 for General Collection Services for the Electronic Toll Collection Program “(E-ZPass®)”

Due back on 7/29/2014, no later than 2:00 P.M.

I. CHANGES/MODIFICATIONS

The following changes/modifications are hereby made to the solicitation documents:

- In Attachment BII, “Standard Contract Terms and Conditions”, delete Section 17. “Records and Reports” in its entirety and replace it with the attached “17. Records and Reports”.

II. PROPOSERS’ QUESTIONS AND ANSWERS

The following information is available in response to questions submitted by prospective Proposers. The responses should not be deemed to answer all questions, which have been submitted by Proposers to the Port Authority. It addresses only those questions, which the Port Authority has deemed to require additional information and/or clarification. The fact that information has not been supplied with respect to any questions asked by a Proposers does not mean or imply, nor should it be deemed to mean or imply, any meaning, construction, or implication with respect to the terms.

The Port Authority makes no representations, warranties or guarantees that the information contained herein is accurate, complete or timely or that such information accurately represents the conditions that would be encountered during the performance of the Contract. The furnishing of such information by the Port Authority shall not create or be deemed to create any obligation or liability upon it for any reason whatsoever and each Proposer, by submitting its Proposal, expressly agrees that it has not relied upon the foregoing information, and that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever. Accordingly, nothing contained herein and no representation, statement or promise, of the Port Authority, its Commissioners, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Proposer required by this Proposal or Contract and the Proposer agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever.

The Questions and Answers numbering sequence will be continued sequentially in any forthcoming Addenda that may be issued.

PS11A11

Question #12	Is the Pre-proposal meeting on July 11, 2014 at 10:00 a.m. Eastern Standard Time?
Answer # 12	Yes.
Question #13	We are currently undergoing the certification for SSAE 16 SOC 2 and should be complete by the fourth quarter of this year. Will this prohibit us from being eligible to bid?
Answer # 13	While you may bid without the SSAE 16 SOC 2 certification, your bid will be rejected as non-responsive unless your SSAE 16 SOC 2 certification (previously known as SAS 70 Level 2) is completed by the Contract start date. It should be noted in your proposal that you are undergoing this certification and scheduled completion is before the Contract start date.

This communication should be initialed by you and annexed to your Proposal upon submission.

In case any Proposer fails to conform to these instructions, its Proposal will nevertheless be construed as though this communication had been so physically annexed and initialed.

THE PORT AUTHORITY OF NY & NJ

KATHY LESLIE WHELAN, ASSISTANT DIRECTOR
COMMODITIES AND SERVICES DIVISION

PROPOSER'S FIRM NAME: _____

INITIALED: _____

DATE: _____

QUESTIONS CONCERNING THIS ADDENDUM MAY BE ADDRESSED TO MARGARET D'EMIC, WHO CAN BE REACHED AT (201) 395-3410 or at mdemic@panynj.gov.

17. Records and Reports

Contract Review And Compliance Audits

The Contractor, and any subcontractors, shall provide prompt system access and reasonable assistance to the Authority's External and Internal Audit staff or its consultants in their performance of work under the Contract, including producing specific requested information, extraction of data and reports. The Contractor, and any subcontractors, shall promptly support requests related to audits of the Contract, administrative functions and operations covered by this Contract. The Authority will require access to the Contractor's environment which supports the systems used to provide Services required under the Contract on a periodic basis; the hours to be determined, at the convenience of the Authority.

The Authority reserves the right to use and load security and system software to evaluate the level of security and vulnerabilities in all systems which control, collect, dispense, contain, manage, administer, or monitor operations related to this Contract.

Authority Access To Records

The Authority shall have access during normal business hours to all records and documents of the Contractor relating to any service provided under this Contract, amounts for which it has been compensated, or claims the Contractor should be compensated, by the Authority above those included in the compensation set forth elsewhere herein. All Contractor records shall be kept in the Port District (as defined in McKinney's Unconsolidated Laws §6403). The expenditures incurred for an audit of records outside the Port District shall be paid by the Contractor. The Contractor shall obtain for the Authority similar access to similar records and documents of subcontractors. Such access shall be given or obtained both before and within a period of three (3) years after Final Payment to the Contractor, provided, however, that if within the aforesaid one year period the Authority has notified the Contractor in writing of a pending claim by the Authority under or in connection with this Contract to which any of the aforesaid records and documents of the Contractor or of his subcontractors relate either directly or indirectly, then the period of such right of access shall be extended to the expiration of six (6) years from the date of Final Payment with respect to the records and documents involved.

The Contractor shall provide, at no cost to the Authority, access for and reasonable assistance to such auditors from the Authority or the Authority's external auditors that may, from time to time, be designated to audit detail records which support Contractor charges to the Authority. The Authority shall have access to the detail records that support Contractor charges to the Authority for up to three (3) years following the termination of the Contract.

No provision in this Contract giving the Authority a right of access to records and documents is intended to impair or affect any right of access to records and documents that the Authority would have in the absence of such provision."

SSAE 16 SOC 2 Compliant

Contractor agrees to produce an "Independent Service Auditor's Report on a Description of Service Organization's System and the Suitability of Design of Controls" in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements No 16 (SSAE 16). The scope of the SSAE 16 audit report will include Services such as those provided within this contract and are reasonably expected within the industry, and as mutually agreed to by the two parties. The Contractor further agrees to maintain,

SSAE 16 SOC 2 Type II, or similar certification for the duration of Agreement. The copy of the report and subsequent updates shall be submitted to the Authority throughout the term of this Contract within 4 months following each report's audit period close date, confirming compliance. Contractor agrees to remain "SSAE 16 Compliant" throughout the term of its contract with the Authority at no additional cost. This should also include all datacenters where the Authority's data may be stored or transmitted. The Contractor agrees to include the Authority in the sample tested by the independent auditor.