

**Torres Rojas, Genara**

FOI #13608

**From:** foia@foia.com  
**Sent:** Saturday, December 01, 2012 12:49 PM  
**To:** Duffy, Daniel  
**Cc:** Torres Rojas, Genara; Van Duyn, Sheree  
**Subject:** Freedom of Information Online Request Form

Information:

First Name: Rose  
Last Name: Santos  
Company: FOIA Group, Inc  
Mailing Address 1: PO Box 368  
Mailing Address 2: PO Box 368  
City: Depew  
State: NY  
Zip Code: 14043  
Email Address: [foia@foia.com](mailto:foia@foia.com)  
Phone: 7166080800  
Required copies of the records: Yes

List of specific record(s):

Relevant to PROJECT MANAGEMENT SERVICES FOR REAL ESTATE LEASE ADMINISTRATION AND DATABASE SYSTEM, we seek: 1 Contract with Yardi Systems to provide a Real Estate Lease Administration and Database system. 2 Any procurement, purchase order, sole source award or other documentation related to how the authority procured these services. If you have any questions please contact me at [foia@foia.com](mailto:foia@foia.com). I agree to pay reasonable foia fees, however, please notify me if these fees exceed \$5.00 for approval. Thanks, --- Rose Santos, co FOIA Group, Inc., P.O. Box 368, Depew, New York, 14043 Tel: 716-608-0800, ext 502.

**THE PORT AUTHORITY OF NY & NJ**

Daniel D. Duffy  
*FOI Administrator*

December 26, 2012

Ms. Rose Santos  
FOIA Group, Inc.  
P.O. Box 368  
Depew, NY 14043

Re: Freedom of Information Reference No. 13606

Dear Ms. Santos:

This is a response to your December 1, 2012 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for copies of records related to the project management services for Real Estate Lease Administration and Database System.

Material responsive to your request and available under the Code can be found on the Port Authority's website at <http://www.panynj.gov/corporate-information/foi/13606-C.pdf>. Paper copies of the available records are available upon request.

Certain material responsive to your request is exempt from disclosure pursuant to exemption (1) of the Code.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,



Daniel D. Duffy  
FOI Administrator

225 Park Avenue South  
New York, NY 10003  
T: 212 435 3642 F: 212 435 7555

**THE PORT AUTHORITY OF NY & NJ**  
**PROCUREMENT DEPARTMENT**  
**TWO MONTGOMERY STREET, 3<sup>RD</sup> FLOOR**  
**JERSEY CITY, NJ 07302**

July 3, 2012

VIA MAIL and EMAIL: [Daniel.Campbell@yardi.com](mailto:Daniel.Campbell@yardi.com)

Yardi Systems, Inc.  
430 South Fairview Avenue  
Santa Barbara, CA 93117  
Attn: Daniel Campbell, VP, Govt. Services

Re: Agreement with Yardi Systems, Inc. ("Yardi") for the Provision, Implementation, Hosting, and Maintenance of a Real Estate Lease Administration and Database System; Contract #4600009116; Purchase Order #4500063322

Dear Mr. Campbell:

The Port Authority of New York and New Jersey ("Port Authority") hereby accepts Yardi's Response to the Selection Process Document for the provision, implementation, hosting and maintenance of the referenced Real Estate Lease Administration and Database System. The term of the resulting Contract shall be for a six-year period effective upon complete execution of this award letter, subject to earlier termination or extension as provided for in the Contract. The Contract also provides for two (2) two-year extension periods upon the same terms and conditions.

The Contract between the parties will consist of the following documents; in case of conflict between any of the documents, the order of precedence shall be as numbered below:

1. This letter of award;
2. The attached "Software Agreement";
3. Yardi's "Response to Selection Process Document – Amendment 1, Real Estate Lease Administration and Database System" dated April 12, 2012, attached hereto;
4. Port Authority's Selection Process Document for a "Real Estate Lease Administration and Database System" dated March 22, 2012, including Addenda 1 through 3 thereto, attached hereto.

In accordance with the insurance provisions of the above referenced Contract, and prior to the commencement of work, you shall submit an original Certificate of Insurance to the Port Authority of NY & NJ, General Manager, Risk Management, 225 Park Avenue South, 12<sup>th</sup> floor, New York, New York 10003. This Certificate must also be annotated with CITS tracking number #4008N.

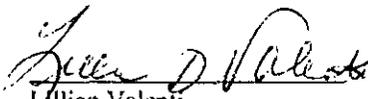
Your contact at the Port Authority is Jerry Deltufo, Assistant Director of the Port Authority's Real Estate Department, who can be reached at (212) 435-6466, or his designee. If you have any questions concerning the award of this Contract, please contact James Summerville at (201) 395-3454.

For invoicing and correspondence purposes, Purchase Order #4500063322 has been assigned to this Contract.

Please signify your concurrence by signing at the lower left and returning a signed copy of this letter to the attention of James Summerville, Procurement Department.

Sincerely,

THE PORT AUTHORITY OF  
NEW YORK AND NEW JERSEY

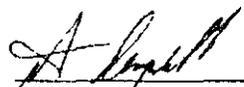
By:   
Lillian Valenti

Title: Director, Procurement Dept.

Dated: 7/11/2012

Agreed:

YARDI SYSTEMS, INC.

By:   
Daniel Campbell

Title: Vice President, Govt. Services

Dated: 07/03/2012

## SOFTWARE AGREEMENT

### GENERAL CONTRACT PROVISIONS

#### 1. GENERAL AGREEMENT

The undersigned (hereinafter referred to as the "Contractor" or "you") agrees to provide, and The Port Authority of New York and New Jersey (hereinafter referred to as the "Authority" or the "Port Authority") agrees to accept the Contractor's Licensed Programs and related Services for a "Real Estate Lease Administration and Database System," as more fully set forth in the SaaS Subscription Agreement ("SaaS Agreement") (Attachment A) attached hereto and made a part hereof (together, this "Contract" or "Agreement"). The SaaS Agreement requires the doing of all things necessary or proper for or incidental to the requirements as set forth in the SaaS Agreement. All things not expressly mentioned in the SaaS Agreement but involved in carrying out their intent are required by the SaaS Agreement and the parties shall perform the same as though they were specifically mentioned, described and delineated.

Subject only to the provisions of the clause herein entitled "Optional Enhancements", the Fees identified in Schedule A to Attachment A are Contractor's sole compensation in full consideration for the performance of all the Contractor's obligations under this Contract. In no event shall total payment to the Contractor exceed the amount set forth in Schedule D, which is inclusive of said Optional Enhancements.

#### 2. DEFINITIONS

As used herein, "Director" shall mean the Chief of the Real Estate Department of the Authority acting either personally or through his duly authorized representatives acting within the scope of the particular authority vested in them unless specifically stated to mean acting personally. For the purpose of administering this Contract, the Director has designated the Assistant Director of the Real Estate Department to act as his duly authorized representative and as Contract Manager.

For the purposes of this Contract, the Contract Manager (sometimes referred to herein as the "Manager") shall be the individual with day-to-day responsibility for managing the services on behalf of the Port Authority. The Director may modify this designation in a writing forwarded to the Contractor at the address designated for delivery of notice herein.

As used herein, the term "days" or "calendar days" in reference to a period of time shall mean consecutive calendar days, Saturdays, Sundays, and holidays included.

"Effective Date" shall mean the date of the last party signature on this Agreement.

"Facility" shall mean Port Authority Facilities within the Port District.

"Services" - shall mean all professional, hosting and application support services, and all other things necessary or proper for, or incidental to the services to be provided hereunder, as set forth in this Agreement.

\_\_\_\_\_ Yardi \_\_\_\_\_ Client  
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As used herein, the term "Work Day" shall mean a day between Monday and Friday with Monday and Friday included, and Holidays excluded.

Holidays: The following legal holidays will be observed at Port Authority offices and facilities:

New Year's Day	Columbus Day
Martin Luther King, Jr. Day	Veterans Day
Presidents' Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

As used herein, the terms "Port Authority" or "Authority" shall mean The Port Authority of New York and New Jersey.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more members of one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- The principal place of business must be located in New York or New Jersey;
- The firm must have been in business for at least three years with activity; and
- Average gross income limitations by industry as established by the Port Authority.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent resident aliens.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely its own personal labor or its own

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personal services. "Subcontractor", however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

### **3. GENERAL PROVISIONS**

- A. Under no circumstances shall you or your subcontractors communicate in any way with any department, board, agency, commission, or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Director, provided, however, that data from manufacturers and suppliers of materials, devices and equipment shall be obtained by you when you find such data necessary unless otherwise instructed by the Authority.
- B. Any services performed for the benefit of the Authority at any time by you or on your behalf, even if expressly and duly authorized by the Authority, shall be deemed to be rendered under and subject to this Contract (unless referable to another expressly written, duly executed contract by the same parties), and no rights or obligations shall arise out of such additional services except as provided under this Contract.
- C. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further rules and regulations which may from time to time during the effective period of this Contract, be promulgated by the Port Authority for reasons of safety, health, preservation of property, or maintenance of a good and orderly appearance of the Facilities, or for the safe and efficient operation of the Facilities. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Contractor of every rule and regulation hereafter adopted by it.
- D. This Contract does not constitute the Contractor as an agent or representative of the Port Authority for any purpose whatsoever. The Contractor shall perform all services hereunder as an independent Contractor and the Contractor, its officers, and employees shall not be deemed to be agents, servants, or employees of the Port Authority.

### **4. DURATION**

This Contract shall commence on the Effective Date, and shall remain in effect for an initial period of six (6) years (hereinafter the "Base Term" or "Initial Term") following the Initiation Date (as defined in Attachment A (SaaS Agreement), unless otherwise terminated in accordance with the provisions hereof. The parties shall have the right to extend this Contract for up to two (2) additional two-year periods by written agreement at least thirty (30) days prior to the expiration of the Base Term or the expiration of the option period, if applicable. The Base Term and any option period, or renewal term, shall be collectively referred to as the "Term."

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For the avoidance of any doubt, the SaaS Agreement attached hereto in Attachment A (SaaS Agreement) describes annual fees due from the Authority to Contractor for access to and use of the Licensed Programs. The first such "annual" period ends 365 days after the Initiation Date, or, to be clear, was extended by the time period between the Effective Date and the Initiation Date.

In accordance with Section 3(c) (Transition Services) of the SaaS Agreement, the Authority shall also have the right to extend this Contract for an additional 120 day period, from the date originally fixed for expiration of the Base Term or any option period then in effect upon the same terms and conditions except as set forth elsewhere in this Contract, to be effected by written notice to the Contractor received no later than thirty (30) days prior to the expiration date of the Base Term or the expiration date of the option period, if applicable.

All Contract prices for services and for labor shall be applicable throughout the duration of the Contract.

The amounts payable to the Contractor during any 120-day Extension Period shall, as described in Section 3(c) (Transition Services) of the SaaS Agreement be based on the amounts payable in the immediately preceding period.

#### **5. OPTIONAL ENHANCEMENTS**

If requested by the Authority, the Contractor shall provide "Enhancements", as further described in Section 14 (Programming Services) of the SaaS Agreement for modified or additional products and services, including application enhancements, reporting modifications or creation, or any other such application services ("Enhancements"). Agreement by the parties, if such is forthcoming, for such Optional Enhancements shall be in writing. The execution of the aforementioned written agreement shall be a condition precedent to payment of any compensation for such Enhancements, with such compensation to be no greater than that set forth in Schedule D to Attachment A in the Line Items entitled "Enhancements (Optional)" for the Base and Option Periods of the Contract.

#### **6. PERFORMANCE OF ENHANCEMENTS**

The provisions of this Contract relating generally to the Services shall apply without exception to any Enhancements agreed upon by the parties and to the performance thereof, except to the extent that a written agreement in connection with any particular item of Enhancements may expressly provide otherwise.

#### **7. PAYMENTS**

Subject to the provisions of this Contract (including, but not limited to, Section 5 (Optional Enhancements) and Schedule D, and the payments set forth and described therein), the Port Authority agrees to pay to the Contractor and the Contractor agrees to accept from the Port Authority as full and complete consideration for the performance of all its obligations under this Contract and as sole compensation for access to and Use of the Licensed Programs and the Services performed by the Contractor hereunder, a compensation calculated from the services performed and

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the respective prices inserted by the Contractor in the Fee Schedule (Schedule A) in Attachment A (SaaS Agreement) (as accepted by the Authority), forming a part of this Contract.

The manner of submission of all bills for payment to the Contractor by the Authority for Services rendered under this Contract shall be subject to the approval of the Contract Manager in all respects, including, but not limited to, format, breakdown of items presented and verifying records.

- A. In the event an audit of received invoices should indicate that the correct sum due the Contractor for the relevant billing period is less than the amount actually paid by the Authority, the Contractor shall pay to the Authority the difference promptly upon receipt of the Authority's statement thereof.

"Final Payment", as the term is used throughout this Contract, shall mean the final payment made for services rendered in the last month of the Contract Term. However should this Contract be terminated for any reason prior to the last month of the Contract Term, then Final Payment shall be the payment made for services rendered in the month during which such termination becomes effective. No payment, however, final or otherwise shall operate to release the Contractor from any obligations in connection with this Contract.

#### **8. FINAL PAYMENT**

After satisfactory completion of all services required hereunder, and upon receipt from the Contractor of such information as may be required, the Director shall certify in writing to the Contractor the total compensation earned by the Contractor. If so required, the Contractor shall thereupon furnish to the Authority a detailed sworn statement of all claims, just and unjust, of subcontractors, materialmen and other third persons then outstanding which he has reason to believe may thereafter be made on account of the services provided under this Contract. Within thirty (30) days after issuance of such certificate of total compensation earned (or within thirty days after receipt of the documents provided for in the immediately preceding paragraph, if required and if such date is later), the Port Authority shall pay to the Contractor by check the amount stated in said certificate, less all other payments and advances whatsoever to or for the account of the Contractor. All prior estimates and payments shall be subject to correction in this payment, which is throughout this Contract called the Final Payment.

#### **9. TERMINATION OF CONTRACT**

- A. Termination for Convenience. Following the Initial Term, the Authority may terminate this Agreement without cause and for its convenience upon 30 calendar days prior written notice. Upon a termination for convenience, the Authority shall promptly pay any Undisputed Fees (as defined in the SaaS Agreement) owed to Contractor as of the effective date of the Authority's termination. If the Authority terminates this Agreement pursuant to this section 9(A) (Termination for Convenience), the Authority shall not be entitled to a refund of any Fees.
- B. Termination for Cause. Either party may terminate this Agreement upon written notice to the other party if the other party materially breaches this Agreement and fails to cure such breach

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within 7 days of written notice of a material breach, or if the breaching party cannot reasonably cure the material breach within 7 days, the breaching party fails to initiate cure within 7 days and fails to continuously and diligently work to cure the breach until the breach is cured. Termination pursuant to this Section 9(B) (Termination for Cause) shall be effective upon delivery of written notice after expiration of the applicable cure period.

#### **10. CONTRACTOR PERSONNEL STANDARDS OF PERFORMANCE**

The Contractor shall furnish sufficiently trained management, supervisory, technical and operating personnel to perform the services required of the Contractor under this Contract. If, in the opinion of the Director, any of the Contractor's personnel are not satisfactory in the performance of services to be furnished hereunder, the Contractor shall remove such personnel and replace them as soon as commercially reasonable with personnel satisfactory to the Director. The Port Authority acknowledges and agrees that exercise of such right may result in project delays.

At the time the Contractor is carrying out its operations there may be other persons working physically in the vicinity or in the same logical or technical infrastructure. The Contractor shall so conduct its operations as to work in harmony and not endanger, interfere with or delay the operations of others, all to the best interests of The Authority and others and as may be directed by the Director.

#### **11. HIGH SECURITY AREAS**

- A. Services under the Contract may be required in high security areas, as the same may be designated by the Manager from time to time. The Port Authority shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.
- B. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be established by the Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Manager shall provide a description to the Contractor of the high security areas which will be in effect on the commencement date. The description of high security areas may be changed from time to time and at any time by the Manager during the term of the Contract.

#### **12. NOTIFICATION OF SECURITY REQUIREMENTS**

The Authority has the responsibility of ensuring safe, reliable and secure transportation facilities, systems, and projects to maintain the well-being and economic competitiveness of the region. Therefore, the Authority reserves the right to deny access to certain documents, sensitive security construction sites and facilities (including rental spaces) to any person that declines to abide by Port Authority security procedures and protocols, any person with a criminal record with respect to certain crimes or who may otherwise poses a threat to the construction site or facility security. The Authority reserves the right to impose multiple layers of security requirements on the Contractor, its

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staff and subcontractors and their staffs on or at an Authority Facility depending upon the level of security required, or may make any amendments with respect to such requirements as determined by the Authority.

These security requirements may include but are not limited to the following:

- Contractor/ Subcontractor identity checks and background screening

The Port Authority's designated background screening provider may require inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like.

The Contractor may be required, at the Authority's expense, to have its staff, and any subcontractor's staff, material-men, visitors or others over whom the Contractor/subcontractor has control, authorize the Authority or its designee to perform background checks, and a personal identity verification check. Such authorization shall be in a form acceptable to the Authority. The Contractor and subcontractors may also be required to use an organization designated by the Authority to perform the background checks, at the Authority's expense.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening and personal identity verification, except as otherwise required by federal law and/or regulation (such as the Transportation Worker Identification Credential for personnel performing in secure areas at Maritime facilities). Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877) 522-7922 for more information.

- Issuance of Photo Identification Credential

No person will be permitted on or about the Authority construction site or facility (including rental spaces) without a facility-specific photo identification credential approved by the Authority. If the authority requires facility-specific identification credential for the Contractor's and the subcontractor's staff, the Authority will supply such identification at no cost to the Contractor or its subcontractors. Such facility-specific identification credential shall remain the property of the Authority and shall be returned to the Authority at the completion or upon request prior to completion of the individual's assignment at the specific facility. It is the responsibility of the appropriate Contractor or subcontractor to immediately report to the Authority the loss of any staff member's individual facility-specific identification credential. The Contractor or subcontractor shall be billed for the cost of the replacement identification credential. Contractor's and subcontractor's staff shall display Identification badges in a conspicuous and clearly visible manner, when entering, working or leaving an Authority construction site or facility.

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Employees at an Authority Facility may be required to produce not less than two forms of valid/current government issued identification having an official photograph and an original, unlaminated social security card for identify and SSN verification. Where applicable, for sensitive security construction sites or facilities, successful completion of the application, screening and identity verification for all employees of the Contractor and subcontractors shall be completed prior to being provided a S.W.A.C. ID Photo Identification credential.

- Access control, inspection, and monitoring by security guards

The Authority may provide for Authority construction site or facility (including rental spaces) access control, inspection and monitoring by Port Authority Police or Authority retained contractor security guards. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work and that of its subconsultant/subcontractor's and service suppliers at the Authority construction site or facility (including rental spaces). In addition, the Contractor, subcontractor or service provider is not permitted to take photographs, digital images, electronic copying and/or electronic transmission or video recordings or make sketches on any other medium at the Authority construction sites or facilities (including rental spaces), except when necessary to perform the Services under this Contract, without prior written permission from the Authority. Upon request, any photograph, digital images, video recording or sketches made of the Authority construction site or facility shall be submitted to the Authority to determine compliance with this paragraph, which submission shall be conclusive and binding on the submitting entity.

### **13. INSURANCE PROCURED BY THE CONTRACTOR**

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations and products-completed operations, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - \$ 2 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - \$ 2 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name "The Port Authority of NY & NJ and its wholly owned entities, their commissioners, directors, officers, partners, employees and agents as additional insured", including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain separation of insured condition and severability of interests clause for all policies so that coverage will respond as if separate policies were

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in force for each insured. An act or omission of one of the insureds shall not reduce or void coverage to the other insureds. Furthermore, the Contractor's insurance shall be primary insurance as respects to the above additional insureds. Any insurance or self-insurance maintained by the above additional insureds shall not contribute to any loss or claim. These insurance requirements shall be in effect for the duration of the contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

***"The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."***

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than \$1 million each accident.

Professional Liability Insurance - Not less than \$2 million each occurrence, covering acts, errors, mistakes, and omissions arising out of the work or services performed by Consultant, or any person employed by Consultant. All endorsements and exclusions shall be evidenced on the certificate of insurance. The coverage shall be written on an occurrence form or may be written on a claims-made basis with a minimum of a three-year reporting/discovery period.

Contractor shall maintain the minimum coverage described in each policy above and may not fail to maintain such coverage during the term of this Agreement without providing thirty (30) days' prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

Within five (5) days after the award of this agreement or contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. This certificate of insurance MUST show evidence of the above insurance policy (ies), including the agreement/contract number prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the contract at the premises. If the contract is so suspended, no extension of time shall be due on account thereof. If the contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance

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affording coverage equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract. CITS#4008N

#### **14. ASSIGNMENTS AND SUBCONTRACTS**

Any assignment or other transfer by the Contractor of this Contract or any part hereof or of any of its rights hereunder or of any monies due or to become due hereunder and any delegation of any of its duties hereunder without the express written consent of the Director shall be void and of no effect as to the Authority, provided, however, that the Contractor may subcontract portions of the Services to such persons as the Director, may, from time to time, expressly approve in writing. For each individual, partnership or corporation proposed by the Contractor as a subcontractor, the Contractor shall submit to the Authority a certification or, if a certification cannot be made, a statement by such person, partnership or corporation to the same effect as the certification or statement required from the Contractor pursuant to the clauses of the "Integrity" Section entitled "Certification of No Investigation Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information and "Non-Collusive Bidding and Code of Ethics Certification; Certification of No Solicitation Based on Commission, Percentage, Brokerage Contingent or Other Fee". All further subcontracting by any subcontractor shall also be subject to such approval of the Director.

No consent to any assignment or other transfer, and no approval of any subcontractor, shall under any circumstances operate to relieve the Contractor of any of its obligations; no subcontract, no approval of any subcontractor and no act or omission of the Authority or the Director shall create any rights in favor of such subcontractor and against the Authority; and as between the Authority and the Contractor, all assignees, subcontractors, and other transferees shall for all purposes be deemed to be agents of the Contractor. Moreover, all subcontractors and all approvals of subcontractors, regardless of their form, shall be deemed to be conditioned upon performance by the subcontractor in accordance with this Contract; and if any subcontractor shall fail to perform the Contract to the satisfaction of the Director, the Director shall have the absolute right to rescind his approval forthwith and to require the performance of the Contract by the Contractor personally or through other approved subcontractors. The Authority acknowledges and agrees that exercise of such right may result in project or Service delays.

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## **15. CERTAIN CONTRACTOR'S WARRANTIES**

The Contractor represents and warrants:

- a. That it is financially responsible and experienced in, and competent to perform this Contract; that no representation, promise or statement, oral or in writing, has induced it to submit its Response, saving only those contained in the papers expressly made part of this Contract; that the facts stated or shown in any papers submitted or referred to in connection with its Response are true; and, if the Contractor be a corporation, that it is authorized to perform this Contract;
- b. That the Contract is feasible of performance in accordance with all its provisions and requirements;
- c. That no Commissioner, officer, agent or employee of the Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;
- d. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability or completeness of any provisions or requirements of this Contract; (2) the nature, existence or location of materials, structures, obstructions, utilities or conditions, which may be encountered at the installation sites; (3) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (4) the general or local conditions which may in any way affect this Contract or its performance; (5) the price of the Contract; or (6) any other matters, whether similar to or different from those referred to in (1) through (5) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.
- e. The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Authority to review thoroughly all documents forming this Contract prior to execution of this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents; that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.
- f. The Contractor further recognizes that the provisions of this clause (though not only such provisions) are essential to the Authority's consent to enter into this Contract and that without such provisions; the Authority would not have entered into this Contract.

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- g. As further described in Section 10 (Warranties) of the SaaS Agreement, Contractor warrants that the Licensed Programs will perform substantially as specified in the Licensed Programs Documentation (as defined in the SaaS Agreement).

#### **16. TAX EXEMPTIONS**

Purchases of services and tangible personal property by the Port Authority are exempt from New York and New Jersey state and local sales and compensating use taxes (Sales Taxes). Therefore, the Port Authority's purchase of the Contractor's services under this Contract is exempt from Sales Taxes. Accordingly, the Contractor must not include Sales Taxes in the price charged to the Port Authority for the Contractor's services under this Contract.

#### **17. NOTICE REQUIREMENTS**

No claim against the Authority shall be made or asserted in any action or proceeding at law or in equity, and the Contractor shall not be entitled to allowance of such claim, unless the Contractor shall have complied with all requirements relating to the giving of written notice and of information with respect to such claim as provided in this clause. The failure of the Contractor to give such written notice and information as to any claim shall be conclusively deemed to be a waiver by the Contractor of such claim, such written notice and information being conditions precedent to such claim. As used herein "claim" shall include any claim arising out of this Contract (including claims in the nature of breach of contract or fraud or misrepresentation before or subsequent to execution of this Contract and claims of a type which are barred by the provisions of this Contract) for damages, payment or compensation of any nature or for performance of any part of this Contract.

The requirements as to the giving of written notice and information with respect to claims shall be as follows:

- A. In the case of any claims for which requirements are set forth elsewhere in this Contract as to notice and information, such requirements shall apply.
- B. In the case of all other types of claims, notice shall have been given to the Director, as soon as practicable after occurrence of the act, omission, or other circumstances upon which the claim is or will be based, stating as fully as practicable at the time information relating thereto. Such information shall be supplemented with any further information as soon as practicable after it becomes known to the Contractor, including daily records showing costs which the Contractor may be incurring or other circumstances which will affect any claim to be made which records shall be submitted to the Authority.
- C. The above requirements for notices and information are for the purpose of enabling the Authority to avoid waste of public funds by affording it promptly the opportunity to cancel or revise any order, change its plans, mitigate or remedy the effects of circumstances giving rise to a claim or take such other action as may seem desirable and to verify any claimed expense or circumstance as they occur and the requirements herein for such notice and information are essential to this Contract and are in addition to any notice required by statute with respect to suits against the Authority.

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The above referred to notices and information are required whether or not the Authority is aware of the existence of any circumstances which might constitute a basis for a claim and whether or not the Authority has indicated it will consider a claim.

No, act, omission or statement of any kind shall be regarded as a waiver of any of the provisions of this clause or may be relied upon as such waiver except only either a written statement signed by the Executive Director of the Authority or a resolution of the Commissioners of the Authority expressly stating that a waiver is intended as to any particular provision of this clause, and more particularly, no discussion, negotiation, consideration, correspondence or requests for information with respect to a claim by any Commissioner, officer, employees or agent of the Authority shall be construed as a waiver of any provision of this clause or as authority or apparent authority to effect such a waiver.

Since merely oral notice or information may cause disputes as to the existence or substance thereof, and since notice, even if written, to other than the Authority representative above designated to receive it may not be sufficient to come to the attention of the representative of the Authority with the knowledge and responsibility of dealing with the situation, only notice and information complying with the express provisions of this clause shall be deemed to fulfill the Contractor's obligation under this Contract.

#### **18. SERVICE OF NOTICES ON THE CONTRACTOR**

Whenever provision is made in this Contract for the giving of any notice to the Contractor, its deposit in any post office box, enclosed in a postpaid wrapper addressed to the Contractor at its office, or its delivery to its office, shall be sufficient service thereof as of the date of such deposit or delivery, except to the extent, if any, otherwise provided in the clause entitled "Submission to Jurisdiction". Until further notice to the Authority the Contractor's office will be that stated in this Agreement.

#### **19. NO THIRD PARTY RIGHTS**

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action".

#### **20. INDEMNIFICATION**

To the extent permitted by law, the Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, representatives and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising out of or in any way connected or alleged to arise out of or alleged to be in any way connected with claims and demands for death, for personal injury or for tangible property damage, to the extent they arise from the acts or omissions of the Contractor,, including claims and demands of any local jurisdiction against the Port Authority. Contractor's defense and indemnification obligation per this Section 20 (Indemnification) is conditioned upon the following: (i) the Authority providing Contractor with prompt written notice of any claim for which indemnification is sought; (ii) Contractor having sole control of the defense and settlement of such

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claim, provided, however, that the Authority shall have the right to have any suit or proceeding monitored by counsel of the Authority's choice and at its expense; and (iii) the Authority's reasonable cooperation with Contractor in the defense and settlement of the claim. The Contractor shall at its own expense defend any suit based upon any such claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and, notwithstanding the generalities of the conditions described in this Section 20 (Indemnification), in handling such shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

#### **21. SUBMISSION TO JURISDICTION**

This Contract shall be construed in accordance with the laws of the State of New York. Any action or proceeding related to or arising out of this Agreement initiated by Contractor shall be resolved only in a court of competent jurisdiction in the City of New York, State of New York and the Contractor hereby consents to the exercise by the courts of the State of New York of jurisdiction *in personam* over it and waives any objection to such jurisdiction which it might otherwise have. Any action or proceeding related to or arising out of this Agreement initiated by the Authority shall be resolved only in a court of competent jurisdiction in the City of Santa Barbara, State of California (or the court of competent jurisdiction closest to the City of Santa Barbara, CA if no court of competent jurisdiction resides in the City of Santa Barbara, CA), and the Authority hereby consents to the exercise by the courts of the State of California of jurisdiction *in personam* over it and waives any objection to such jurisdiction which it might otherwise have.

#### **22. INFORMAL DISPUTE RESOLUTION**

If any dispute between the parties arises at any time in connection with this Agreement, the parties shall, acting reasonably and in good faith, attempt to promptly resolve the dispute in an amicable manner. If any dispute or difference has not been resolved pursuant to the foregoing sentence within thirty (30) days immediately following notice from one party to the other of its desire to have a dispute resolved, then the parties shall submit such dispute or difference to a member of their respective senior management. If the dispute or difference is not resolved by senior management within thirty (30) days immediately following the commencement of their discussions, then either party may pursue its rights in accord with Section 21 (Submission to Jurisdiction).

#### **23. CONTRACT REVIEW AND COMPLIANCE AUDITS**

The Contractor, and any subcontractors, shall provide reasonable access and 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. The Contractor, and any subcontractors, shall promptly support requests related to audits of the contract and administration tasks and functions covered by this Contract.

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**24. STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS (SSAE) NO. 16 Audit**

To the extent applicable to the Services, the Contractor shall conduct SSAE 16 or its successor on an annual basis and provide such report to the Authority.

**25. AUTHORITY ACCESS TO RECORDS**

The Contractor shall provide the Authority access during normal business hours and upon reasonable notice to 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. 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 its 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.

**26. CLAIMS OF THIRD PERSONS**

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

**27. NO DISCRIMINATION IN EMPLOYMENT, EQUAL EMPLOYMENT OPPORTUNITY**

During the performance of this Contract, the Contractor agrees as follows:

- A. The Contractor is advised to ascertain and comply with all applicable federal, state and local statutes, ordinances, rules and regulations and Federal Executive Orders pertaining to equal employment opportunity, affirmative action and non-discrimination in employment.

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- B. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with any such statutes, ordinances, rules, regulations or orders, this Contract may be canceled, terminated, or suspended in whole or in part.

**28. CONTRACTOR'S INTEGRITY PROVISIONS**

- A. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information.

By submitting a response on this Contract, each Respondent and each person signing on behalf of any Respondent certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Respondent and each parent and/or affiliate of the Respondent has not:

1. been indicted or convicted in any jurisdiction;
2. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Respondent;
3. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
4. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
5. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of \$50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
6. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
7. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

**B NON-COLLUSIVE BIDDING, AND CODE OF ETHICS CERTIFICATION, CERTIFICATION OF NO SOLICITATION BASED ON COMMISSION, PERCENTAGE, BROKERAGE, CONTINGENT OR OTHER FEES**

By submitting a response on this Contract each Respondent and each person signing on behalf of any Respondent certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

1. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Respondent or with any competitor;

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2. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Respondent prior to the official opening of such bid to any other Respondent or to any competitor;
3. no attempt has been made and none will be made by the Respondent to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
4. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of which is available upon request) nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;
5. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Respondent for the purpose of securing business has been employed or retained by the Respondent to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency;
6. has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract; and
7. no person or organization has been retained, employed or designated on behalf of the Bidder to impact any Port Authority determination with respect to (i) the solicitation, evaluation or award of this Contract; or (ii) the preparation of specifications or request for submissions in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Respondent as follows:

\* if the Respondent is a corporation, such certification shall be deemed to have been made not only with respect to the Respondent itself, but also with respect to each parent, affiliate, director, and officer of the Respondent, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Respondent with an ownership interest in excess of 10%;

\* if the Respondent is a partnership, such certification shall be deemed to have been made not only with respect to the Respondent itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Respondent, shall be deemed to have been authorized by the Board of Directors of the Respondent, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

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In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement that sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty. With respect to the foregoing certification in paragraph "B.7", if the Bidder cannot make the certification, it shall provide, in writing, with the signed bid: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Contract, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Director of the Procurement Department of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Contract. As a result of such disclosure, The Port Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsibility.

Notwithstanding that the Respondent may be able to make the foregoing certifications at the time the Response is submitted, the Respondent shall immediately notify the Authority in writing during the period in which its Response is under consideration of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Respondent with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Respondent has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required; to be disclosed, the Authority may determine that the Respondent is not a responsible Respondent with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Respondents are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see, e.g. New York Penal Law, Section 175.30 et seq.). Respondents are also advised that the inability to make such certification will not in and of itself disqualify a Respondent, and that in each instance the Authority will evaluate the reasons therefor provided by the Respondent.

Under certain circumstances the Respondent may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of

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the Respondent to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

**C RESPONDENT ELIGIBILITY FOR AWARD OF CONTRACTS - DETERMINATION BY AN AGENCY OF STATE OF NEW YORK OR NEW JERSEY CONCERNING ELIGIBILITY TO RECEIVE PUBLIC CONTRACTS**

Respondents are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Respondent is not eligible to bid on or be awarded public contracts because the Respondent has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Respondent whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Respondent, or (ii) the state agency determination relied upon was made without affording the Respondent the notice and hearing to which the Respondent was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state agency determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

**D. NO GIFTS, GRATUITIES, OFFERS OF EMPLOYMENT, ETC.**

During the term of this Contract, the Respondent shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Respondent on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract.

As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Respondent, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

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The Respondent shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons using the Facility and shall so instruct its personnel.

In addition, during the term of this contract, the Respondent shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority).

The Respondent shall include the provisions of this clause in each subcontract entered into under this Contract.

#### E. DEFINITIONS

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Response:

Bid - shall mean Response;

Bidder - shall mean Respondent;

Bidding - shall mean submitting a Response.

In a Contract resulting from the taking of bids:

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Bid - shall mean bid;  
Bidder - shall mean Bidder;  
Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Responses:

Bid - shall mean Response;  
Bidder - shall mean Respondent;  
Bidding - shall mean executing this Contract.

#### **F. CONFLICT OF INTEREST**

During the term of this Contract, you shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for your own services to the Authority) to which it is contemplated the Authority may become a party or participate in any way in the review or resolution of a claim in connection with such a contract, if you have substantial financial interest in the contractor or potential contractor of the Authority or if you have an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall you at any time take any other action which might be viewed as or give the appearance of a conflict of interest on your part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion or if you have reason to believe such an arrangement may be the subject of future discussion, or if you have any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and your participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if you have reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest you shall immediately inform the Director in writing of such situation giving the full details thereof. Unless you receive the specific written approval of the Director, you shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by you of a portion of your services under this Contract is precluded by the provisions of this numbered paragraph, or a portion of your said service is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of your services not be performed by you, reserving the right, however, to have the services performed by others and reserving the right to reduce the lump sum compensation as he/she may deem reasonable in his/her sole discretion. Your execution of this Contract shall constitute a representation by you that at the time of such execution you know of no circumstances, present or anticipated, which come within the provisions of this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on your part.

#### **29. CONFIDENTIAL INFORMATION/NON-PUBLICATION**

- A. The non-use and non-disclosure confidentiality obligations of the parties are set forth in Section 9 (Confidentiality) of the SaaS Agreement (Attachment A). In addition, and as used herein,

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confidential information ("CI") shall mean all information disclosed to the Contractor or the personnel provided by the Contractor hereunder which relates to the Authority's and/or PATH's past, present, and future research, development and business activities including, but not limited to, third party software and documentation licensed to the Authority or proprietary to the Authority and/or PATH and all associated third party software, source code procedures and documentation. Confidential information shall also mean other tangible or intangible information or materials including but not limited to computer identification numbers, access codes, passwords, and reports obtained and/or used during the performance of the Contractor's Services under this Contract and information that is labeled, marked or otherwise identified by or on behalf of the Authority so as to reasonably connote that such information is confidential, privileged, sensitive or proprietary in nature.

- B. The Contractor shall hold all such Confidential Information in trust and confidence for the Authority, and agrees that the Contractor and the personnel provided by the Contractor hereunder shall not, during or after the termination or expiration of this Contract, disclose to any person, firm or corporation, nor use for its own business or benefit, any information obtained by it under or in connection with the supplying of services contemplated by this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not violate in any manner any patent, copyright, trade secret or other proprietary right of the Authority or third persons in connection with their services hereunder, either before or after termination or expiration of this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not willfully or otherwise perform any dishonest or fraudulent acts, breach any security procedures, or damage or destroy any hardware, software or documentation, proprietary or otherwise, in connection with their services hereunder.

D. Audits for Compliance with Security Requirements

Upon request, the Port Authority may conduct scheduled examinations of business practices under this section entitled "CONFIDENTIAL INFORMATION/NON-PUBLICATION" in order to assess the extent of compliance with security requirements, Confidential Information procedures, protocols and practices, which may include, but not be limited to, verification of background check status, confirmation of completion of specified training, and/or a site visit to view material storage locations and protocols.

- E. The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Contract, unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

**30. PROVISIONS OF LAW DEEMED INSERTED**

Each and every provision of law and clause required by directly applicable law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as

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though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

### **31. INVALID CLAUSES**

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

### **32. NON-LIABILITY OF THE AUTHORITY REPRESENTATIVES**

Neither the Commissioners of the Authority, nor any officer, agent, or employee thereof shall be charged personally by the Contractor with any liability or held liable under any term or provision of this Contract, or because of its execution or attempted execution, or because of any breach hereof.

### **33. MODIFICATION OF CONTRACT**

No change in or modification, termination or discharge of this Contract, in any form whatsoever, shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith or his duly authorized representative, provided, however, that any change in or modification, termination or discharge of this Contract expressly provided for in this Contract shall be effective as so provided.

### **34. M/WBE GOOD FAITH PARTICIPATION**

The Contractor shall use every good-faith effort to meet the goals set forth in the clause of the Selection Process Document entitled "M/WBE Subcontracting Provisions" for participation by Port Authority certified M/WBEs as defined in this document, in the purchasing and subcontracting opportunities, if any, associated with this contract, including purchase of equipment, supplies and labor services.

Good Faith efforts to include participation by MBEs/WBEs in the purchasing and subcontracting opportunities, if any, associated with this contract, shall include the following:

- a. Dividing the services and materials to be procured into small portions, where feasible.
- b. Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c. Soliciting services and materials, to be procured, from the Directory of MBEs/WBEs. The Authority has a list of certified MBE/WBE service firms which is available to you at <http://www.panynj.gov/business-opportunities/supplier-diversity.html>.
- d. Ensuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.
- e. Observance of reasonable commercial standards of fair dealing in the respective trade or business.

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Either prior or subsequent to Contract award, the Contractor may request a full or partial waiver of the M/WBE purchasing and subcontracting participation goals set forth in this Contract by providing documentation demonstrating to the Manager, for approval by the Port Authority's Office of Business Diversity and Civil Rights, that its good faith efforts did not result in compliance with the goals set forth above because participation by eligible M/WBEs could not be obtained at a reasonable price or that such M/WBEs were not available to adequately perform as subcontractors. The Contractor shall provide written documentation in support of its request to the Manager. The documentation shall include, but not be limited to, documentation demonstrating good faith efforts as described above, which may include, proof that the Authority's directory does not contain M/WBEs in this specific field of work, a list of organizations contacted to obtain M/WBEs, and/or a list of M/WBEs contacted and their price quotes. If approved by the Authority's Office of Business Diversity and Civil Rights, the Manager will provide written approval of the modified or waived M/WBE Participation Plan.

Subsequent to Contract award, all changes to the M/WBE Participation Plan must be submitted via a modified M/WBE Participation Plan to the Manager for review and approval by the Authority's Office of Business Diversity and Civil Rights. For submittal of modifications to the M/WBE Plan, Contractors are directed to use form PA3749C, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Contractor shall not make changes to its approved M/WBE Participation Plan or substitute M/WBE subcontractors or suppliers for those named in their approved plan without the Manager's prior written approval. Unauthorized changes or substitutions, including performing the work designated for a subcontractor with the Contractor's own forces, shall be a violation of this section. Progress toward attainment of M/WBE participation goals set forth herein will be monitored throughout the duration of this Contract.

The Contractor shall also submit to the Manager, along with invoices, the Statement of Subcontractor Payments as the M/WBE Participation Report, form PA3968, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Statement must include the name and business address of each M/WBE subcontractor and supplier actually involved in the Contract, a description of the work performed and/or product or service supplied by each such subcontractor or supplier, the date and amount of each expenditure, and such other information that may assist the Manager in determining the Contractor's compliance with the foregoing provisions.

If, during the performance of this Contract, the Contractor fails to demonstrate good faith efforts in carrying out its M/WBE Participation Plan and the Contractor has not requested and been granted a full or partial waiver of the M/WBE participation goals set forth in this Contract, the Authority will take into consideration the Contractor's failure to carry out its M/WBE Participation Plan in its evaluation for award of future Authority contracts.

### **35. HARMONY**

- A. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints,

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troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of the Port Authority or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right to terminate this Agreement. In the event the Authority terminates this Agreement per this Section 32 (Harmony), Contractor will refund to the Authority, on a pro-rata basis, the annual Fees paid by the Authority to Contractor within the year prior to the effective date of the Authority's termination.

- B. During the time that the Contractor is performing the Contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.

The Contractor shall so plan and conduct its operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

### **36. SIGNATURES; COUNTERPARTS**

The parties may transmit executed copies of this Agreement (for clarity, including the corresponding award letter) by electronic transmission, which shall be binding upon the parties. Counterparts with original signatures shall be provided to the other party within 5 days of electronic transmission; however, the failure to provide the original counterpart shall have no effect on this Agreement's enforceability or binding nature. If executed in counterparts, this Agreement will be as effective as if simultaneously executed.

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**ATTACHMENT A**  
**SAAS SUBSCRIPTION AGREEMENT**

Yardi Systems, Inc., a California corporation headquartered at 430 South Fairview Avenue, Goleta, CA 93117 (as used in this Attachment A, "Yardi"), and

**The Port Authority of New York and New Jersey** (as used in this Attachment A, "Client")  
225 Park Avenue South  
New York, NY 10003

enter into this SaaS Subscription Agreement including any schedules, exhibits or other attachments hereto (together with the General Contract Provisions to which this Attachment A is attached, this "Agreement") effective as of the Effective Date.

**RECITAL**

Yardi has developed certain application software for use by its clients in the real property and asset management industry. Yardi application software is available only in the Yardi Cloud [defined in section 1 (Definitions) of this Attachment A (SaaS Agreement), below]. Client desires to access the Yardi Cloud to use such Yardi software pursuant to this Agreement's terms.

In consideration of their respective rights and obligations as set forth in this Agreement, the parties agree as follows:

**AGREEMENT**

**1. Definitions.**

- a. "Anniversary Date" means the date that is 365 days after the Initiation Date, and each anniversary thereafter of the date that is 365 days after the Initiation Date, during this Agreement's Term.
- b. "Business Purposes" means accessing the Yardi Cloud to use the Licensed Programs and Yardi Cloud Services for Client's property management and accounting, and related business purposes.
- c. "Client Data" means the data that Designated Users transmit and/or enter into the database provided as part of the Yardi Cloud in connection with their Use of the Licensed Programs pursuant to this Agreement.
- d. "Contractor" means a contractor who: (i) has an Independent Consultant Network License Agreement with Yardi; and (ii) is a current member in good standing of Yardi's Independent Consultant Network.
- e. "Deliverable" means any deliverable or intellectual property delivered to Client as part of Programming Services [defined in section 14 (Programming Services) of this Attachment A (SaaS Agreement)] or other services provided pursuant to this Agreement.
- f. "Designated User" or "DU" means a Client employee or Contractor designated by Client to access the Yardi Cloud and Use the Yardi Cloud Services and Licensed Programs for Business Purposes.
- g. "Effective Date" means the date of the last party signature on this Agreement.
- h. "Fees" means the fees identified in Schedule A (Fee Schedule), and any other fees that may become due under this Agreement.
- i. "Force Majeure Event" means any event beyond the reasonable control of the party affected by such event, including without limitation fire, storm, weather, earthquake, explosion, casualty, strike, war, riot, civil disturbance, act of God, acts or omission of any third party, any state or national law, decree or ordinance, or any executive or judicial order, which event causes a party to delay or fail to perform under this Agreement.
- j. "Initiation Date" means July 1, 2012.
- k. "Licensed Programs" means the software program(s) identified in Schedule A (Fee Schedule) paragraph 1.
- l. "Licensed Programs Documentation" means the user manuals and documentation for the Licensed Programs.
- m. "Password" means the unique user name and password assigned by Client to each Designated User as more fully described in section 6 (Users and Passwords) of this Attachment A (SaaS Agreement).

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n. "POC(s)" means the person(s) Client identifies to Yardi as point(s) of contact for application support services and other account management purposes.

o. "Undisputed Fees" means all Fees due from Client under this Agreement which Client does not reasonably and in good faith dispute - and provide notice of such dispute in accord with section 18(f) (Notices) of this Attachment A (SaaS Agreement) - within 30 days of invoice.

p. "Use" means authorized access to the licensed software in the Yardi Cloud and use of the Licensed Programs and Licensed Programs Documentation by Designated Users solely for Business Purposes.

q. "Yardi Cloud" means the hardware, software, storage, firewalls, intrusion detection devices, load balancing units, switches and other hardware that make up the Yardi Cloud.

r. "Yardi Cloud Services" means installation, maintenance and service of the hardware and software comprising the Yardi Cloud.

## 2. License Grant; Restrictions; Access to Yardi Cloud.

a. **Licenses.** Yardi grants to Client a non-exclusive, non-transferable (except as expressly provided in this Agreement), limited license for Designated Users to: (i) access the Yardi Cloud and Use the Licensed Programs and Yardi Cloud Services solely for Business Purposes; and (ii) access the Licensed Programs Documentation and other content on Yardi's Client Central website solely for Business Purposes and subject to the terms of use then-presented on Client Central.

b. **Restrictions.** Client may only exercise the license granted in section 2(a) (Licenses) of this Attachment A (SaaS Agreement) through its Designated Users. Client may not rent, lease, sell, transfer (by sublicense, assignment or otherwise except as expressly provided by this Agreement), time share, modify, reproduce, copy, make derivative works from, distribute, publish, use to provide service bureau services, or publicly display the Licensed Programs. Client may only Use the Licensed Programs for Business Purposes. Client may not reverse engineer, decompile or otherwise attempt to discover the source code for the Licensed Programs. Client may not permit any person or entity to breach the restrictions in this section 2(b) (Restrictions) of this Attachment A (SaaS Agreement). Client may not copy or re-create the Licensed Programs or its objects without Yardi's prior express written consent. Client agrees that the Licensed Programs must remain at all times in the Yardi Cloud, and may not be removed or copied to any other location at any time.

c. **Access to the Yardi Cloud.** Yardi will use commercially reasonable efforts to make the Yardi Cloud and the Licensed Programs accessible to Designated Users 24-hours per day, 7 days per week, excluding down time for maintenance and repair, in accord with Schedule E (Yardi Cloud Service Level Agreement). Yardi has standing maintenance/repair/backup hours from 11:00 pm each Saturday to 3:00 am (local time at the data center) each Sunday, and nightly Sunday to Friday from 12:00 am – 2:00 am local time at the data center). Yardi will use commercially reasonable efforts to provide as much notice to Client as reasonably possible under the circumstances for emergency maintenance/repair downtime outside the aforementioned standing hours.

## 3. Termination.

a. **Effect of Termination.** Upon the effective date of this Agreement's termination or expiration: (i) the license for the Licensed Programs and Licensed Programs Documentation will terminate; (ii) Client will cease Use of the Yardi Cloud, Yardi Cloud Services, Licensed Programs and Licensed Programs Documentation; (iii) Client's access to the Yardi Cloud and Licensed Programs will be disabled; and (iv) Client shall pay any Undisputed Fees to Yardi.

b. **Survival.** The parties' obligations under, and the provisions of, sections 4 (License Fees), 8(b) (Limited Liability for Unauthorized Client Data Access), 9 (Confidentiality), 10 (Warranties), 11 (Damage Limitations), 13 (Indemnification), 15 (Assignment) and 18 (General Provisions) of this Attachment A (SaaS Agreement) shall survive this Agreement's termination or expiration.

c. **Transition Services.** Except for a termination for cause by Yardi, or a termination by Client pursuant to section 5(e) (Testing) of this Attachment A (SaaS Agreement), and subject to Client's written request, upon any other termination or expiration of this Agreement Yardi agrees to: (i) temporary continuation of the licenses and existing services under this Agreement, and (ii) negotiate in good faith toward mutually agreeable terms with respect to any new services as may be reasonably requested by Client. The transition plan shall not exceed 120 days, and shall be subject to the terms of this Agreement and agreement on

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reasonable compensation to Yardi evaluated by reference to the then-current prevailing rates under this Agreement at the time of the transition. In the event this subsection's conditions are met, this Agreement shall be extended through the expiration of the agreed transition period.

**4. License Fees.**

a. **Fees.** Client agrees to pay Yardi the Fees in accordance with the payment terms set forth in Schedule A (Fee Schedule).

b. **Failure to Pay.** Client's failure to timely pay any Undisputed Fee when due is a material breach of this Agreement.

c. **Taxes.** The Fees are exclusive of any tariff, duty, or tax, however designated, levied, or based including, without limitation, any taxes based on: (i) this Agreement; (ii) the Licensed Programs, Yardi Cloud, Yardi Cloud Services, or Deliverables; (iii) Client's Use of the Yardi Cloud, Yardi Cloud Services, or Licensed Programs; (iv) the Licensed Programs Documentation; or (v) any materials or supplies furnished by Yardi per this Agreement. Client is not currently subject to, or responsible for any taxes, but to the extent Client becomes subject to or responsible for any taxes in the future, Client shall be responsible for all applicable tariffs, duties or taxes (exclusive of taxes based on Yardi's net income) applicable to this Agreement.

d. **Partial Fee Disputes.** If Client reasonably and in good faith disputes any Fees, and provides notice in accord with section 18(f) (Notices) of this Attachment A (SaaS Agreement) of such dispute, Client agrees that any undisputed portion of such Fees are Undisputed Fees and Client agrees to timely pay any such Undisputed Fees.

**5. Implementation and Training.**

a. **Third Party Software and Hardware Requirements.** Client is solely responsible for purchasing, installing and maintaining, at Client's expense, any third party software and hardware necessary for Designated Users to access the Yardi Cloud and Use the Licensed Programs and Yardi Cloud Services. The current minimum Client software and hardware requirements are identified in Schedule F (Current Minimum Software and Hardware Requirements). Yardi shall not be liable for any such third party software or hardware, and Client acknowledges and agrees that any assistance provided by Yardi in connection with such third party software and hardware shall not alter Client's responsibility or Yardi's liability disclaimer under this section 5(a) (Third Party Software & Hardware Requirements) of this Attachment A (SaaS Agreement).

b. **Location.** Implementation and training services may (at Client's election) take place at a location specified by Client or via telecommunications. Yardi will bill Client for initial implementation/training services as indicated in Schedule A (Fee Schedule). Client may request additional on-site implementation/training services [i.e., in addition to the on-site implementation/training services set forth in Schedule A (Fee Schedule)] at any time and Yardi will make commercially reasonable efforts to timely accommodate Client's request. Additional on-site implementation/training services are subject to the parties' mutual agreement on: (i) the schedule for performance of the additional services; and (ii) Yardi's Fees for the additional services.

c. **On-Sites.** Client acknowledges that in-person implementation/training service visits at a Client location require a minimum visit of 8 hours per visit. Client agrees to pay all reasonable expenses associated with on-site visits including, but not limited to, travel to and from the site, lodging, meals, etc. Client acknowledges that training services for more than 12 Client trainees require Client to pay for 1 additional Yardi trainer for each 12 Client trainees in excess of 12. Client agrees that Client must pay for any implementation/training services cancelled less than 10 business days prior to their scheduled date.

d. **Data Conversion.** Yardi will bill Client for electronic data conversion services, if initially ordered, at the rate stated in Schedule A (Fee Schedule). Absent an agreement to the contrary, Client shall otherwise be solely responsible for data conversion, data preparation, data entry and data verification, and any post-conversion clean-up. Additional Yardi data conversion services [i.e., in addition to any initial data conversion services set forth in Schedule A (Fee Schedule)] are subject to the parties' mutual agreement on: (i) the schedule for performance of the additional services; and (ii) Yardi's Fees for the additional services.

e. **Testing.** Client shall have 210 days commencing upon the Effective Date (the "Testing Period") to test the Licensed Programs, Yardi Cloud and Yardi Cloud Services. At any time during the Testing Period, Client may elect to cease Use of the Licensed Programs, Yardi Cloud and Yardi Cloud Services and cancel this Agreement, in which event Yardi will refund to Client all amounts paid by Client to Yardi pursuant to this Agreement less reasonable amounts [determined by reference to the Fees/rates indicated in Schedule A (Fee Schedule)] for initial set-up, implementation, training and support of the Licensed Programs, Yardi Cloud and Yardi Cloud Services provided prior to Client's notice of cancellation pursuant to this section 5(e) (Testing) of this Attachment A (SaaS Agreement).

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**6. Users and Passwords.**

a. **Designated Users.** Client agrees that its exercise of the license granted by this Agreement shall only be through its Designated Users. Client's license to access and Use the Yardi Cloud and Licensed Programs is limited as provided in Schedule A (Fee Schedule). Each Designated User must have a unique Password

b. **Password Assignment.** Client's application support POC(s) will be Designated Users, will designate the other Designated Users, and will provide each other Designated User with a Password. Each Password shall be personal and unique to the applicable Designated User, and may not be used by anyone other than such Designated User. Each Password may only be used from 1 computer at any given time. Client shall be responsible for maintaining Designated User Password security.

c. **Client Obligations with Respect to Designated Users.** Client shall inform each Designated User of this Agreement's terms and restrictions and shall enforce such restrictions. Client agrees to notify Yardi if Client becomes aware of any failure of a Designated User to adhere to the license terms and restrictions in this Agreement.

**7. Application Support & Upgrades.**

a. **Application Support Service.** Yardi will provide application support and upgrades for the Licensed Programs as set forth in this section 7 (Application Support & Upgrades) of this Attachment A (SaaS Agreement).

b. **Client Contacts.** Client agrees to appoint application support POC(s). Client may change the application support POC(s) upon advance written notice to Yardi. Yardi shall have no obligation to contact, or communicate with, anyone regarding application support and maintenance issues except Client's application support POC(s). Client acknowledges that it is Client's responsibility to keep Client's application support POC(s) current, and to notify Yardi of any changes.

c. **Yardi Contacts.** During initial implementation, Yardi shall appoint an account manager to Client's account. After initial implementation, Yardi will either assign Client to an account manager or an application support team. Yardi may change the identity of individual account managers from time to time upon notice to Client. Client's application support records relating to Client will be available to Yardi's entire application support team at all times.

d. **Application Support Services.** Yardi shall provide application support for the Licensed Programs through its account managers and technical staff to Client's application support POC(s). Application support does not include on-site installation, implementation, training, or testing of the Licensed Programs, nor does it include data conversion. Those services, if initially ordered, are specified in Schedule A (Fee Schedule). Yardi's application support service team will use commercially reasonable efforts to address and solve Client's issues but cannot guarantee satisfaction in every case.

e. **Total Hours Included.** Client's annual application support allotment is specified in Schedule B.

f. **Application Support Hours.** Yardi's application support hours are from 6:00 am to 5:00 pm (Pacific Time) Monday through Friday (excluding holidays).

**g. Priority.**

(i) Yardi, in consultation with Client, shall have the right to prioritize application support requests according to the application support issue's impact on Client. Yardi will prioritize application support requests in the following order:

Priority 1: Business halted (total inability to perform normal operation)

- Client will submit support requests by telephone to Yardi's application support number.
- Response as rapid as reasonably feasible – generally within 2 business hours.

Priority 2: Business impacted (severe restriction of Client's Use of the Licensed Programs – a potentially critical problem)

- Client will submit support requests by telephone to Yardi's application support number.
- Prompt response subject only to delays for priority 1 issues, generally within 4 business hours.

Priority 3: Non-critical service requests (any issue that is not a Priority 1 or Priority 2 issue)

- Client will submit support request by telecommunications to Yardi application support.
- Response subject to delays for priority 1 and 2 issues, generally within 1 business day.

(ii) Yardi will work on Priority 1 and 2 issues with continuous focus, and with Client's cooperation, through resolution.

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h. **Standard Term.** Application support services are subject to this Agreement's terms and timely payment of all Undisputed Fees. Subject to this Agreement's termination for cause notice and cure provisions, Yardi may suspend application support services if Client fails to timely make any Undisputed Fee payment.

i. **Obsolescence.** Yardi reserves the right to cease providing application support services for the Licensed Programs on the later of: (i) 3 years from the date on which Yardi ceases to license the Licensed Programs; or (ii) 6 years from the Effective Date. Yardi agrees to provide 12 months prior written notice to Client if and when Yardi will cease application support services in accord with this section 7(i) (Obsolescence) of this Attachment A (SaaS Agreement).

#### **8. Client Data.**

a. **Client Data Storage.** Subject to Force Majeure Events, Yardi agrees to store Client Data on a database server in the Yardi Cloud.

b. **Limited Liability for Unauthorized Client Data Access.** Yardi agrees to use: (i) firewalls and other technology generally used in the trade to prevent unauthorized 3<sup>rd</sup> party access to its computer systems storing Client Data; and (ii) available encryption technology generally used in the trade to prevent unauthorized 3<sup>rd</sup> party access to Client Data transmissions. Notwithstanding the foregoing, Yardi shall not be liable to Client in the event that: (A) its use of firewalls and other technology generally used in the trade fails to prevent unauthorized third party access to Client Data; or (B) its use of encryption technology generally used in the trade fails to prevent unauthorized third party access to Client Data transmissions. Nothing in this section 8(b) (Limited Liability for Unauthorized Client Data Access) of this Attachment A (SaaS Agreement) shall constitute a representation or warranty by Yardi that Client Data storage or transmission will be inaccessible to unauthorized third parties.

c. **Penetration Tests.** Subject to reasonable advanced scheduling, and no more than once per year, Yardi will permit Client to conduct penetration tests on the Yardi Cloud. In addition, Yardi will conduct annual penetration tests, and will use commercially reasonable efforts to remedy any identified issues. Upon Client's request, Yardi will provide the penetration test results to Client, and provide information on its remedial efforts with respect to identified issues. Client agrees that the penetration test results are Confidential Information as defined in section 9 (Confidentiality) of this Attachment A (SaaS Agreement).

#### **9. Confidentiality.**

a. **Confidential Information Definition.** "Confidential Information" means all technical and non-technical information including: (i) Client Data; (ii) patent, copyright, trade secret, and other proprietary information; (iii) inventions, know-how, processes, or algorithms; (iv) software programs, software source documents, object code, source code, database dictionaries, network diagrams, UML diagrams, Licensed Programs, Licensed Programs Documentation, Licensed Programs schema, Licensed Programs functions, Licensed Programs user interface screens, SSIS, data warehouse schema, cube specifications and configuration, the reports generated by the Licensed Programs, Yardi Cloud specifications and configuration, Yardi Cloud hardware specifications and configuration, and Yardi Cloud Services; (v) development, design details and specifications; (vi) a party's financial information; (vii) customer lists, business forecasts, sales and marketing plans and information; (viii) the prices offered or paid per this Agreement for Yardi's products and services; (ix) SSAE16 audit reports and PCI DSS attestations of compliance and any information related to SSAE16 audit reports and/or PCI DSS attestations of compliance; (x) this Agreement's terms; (xi) any other information disclosed by a party, or to which a party is exposed because of this Agreement, that the disclosing party identifies as confidential at the time of disclosure or which – by its nature - reasonably should be regarded as confidential; and (xii) Confidential Privileged Information, which means and includes collectively, (a) any and all information, documents and materials entitled to protection as a public interest privilege under New York State law and as may be deemed to be afforded or entitled to the protection of any other privilege recognized under New York and/or New Jersey state laws or Federal Laws; (b) certain Critical Infrastructure Information (having the meaning set forth in the Homeland Security Act of 2002 under the subtitled Critical Infrastructure Information Act of 2002 (6 U.S.C. §131-134), and any rules or regulations enacted pursuant thereto, including, without limitation, the Office of the Secretary, Department of Homeland Security Rules and Regulations 6 C.F.R. Part 29 and any amendments thereto); (c) certain Sensitive Security Information (having the definition and requirements set forth in the Transportation Security Administrative Rules and Regulations, 49 CFR 1520 (49 U.S.C. §114) and in the Office of Secretary of Transportation Rules and Regulations, 49 CFR 15 (49 U.S.C. §4011); and (d) Limited Access Safety and Security Information (meaning and including sensitive information, the disclosure of which would be detrimental to the public interest and might compromise public safety and /or security as it relates to Port Authority property, facilities, systems and operations and which has not otherwise been submitted for classification or designation under any Federal laws or regulations.

b. **Nondisclosure and Nonuse Obligations.** Each party (the "Receiving Party") agrees that it will not disseminate, distribute, expose, or in any way disclose any Confidential Information of the other party (the "Disclosing Party") to any third party. The

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Receiving Party may use the Disclosing Party's Confidential Information to the extent necessary to perform its obligations under this Agreement. The Receiving Party's employees and Contractors may use Confidential Information only for the specific business purpose for which it was made available and not for any other purpose. The Receiving Party's employees and Contractors may not use Confidential Information in any way that may compete with Disclosing Party. The Receiving Party may not disclose Confidential Information to its employees and Contractors for the purpose of enabling any such employees or Contractors to service, maintain, or modify the Licensed Programs. The Receiving Party agrees that it will treat all Confidential Information with the same degree of care as the Receiving Party accords its own Confidential Information, but in no event less than reasonable care. The Receiving Party agrees that it shall disclose Confidential Information only to those of its employees and Contractors who need to know such information, and the Receiving Party certifies that such employees and Contractors have previously agreed, either as a condition to employment or in order to obtain the Confidential Information, to be bound by terms and conditions applicable to the Receiving Party under this Agreement. The Receiving Party shall immediately give notice to the Disclosing Party of any unauthorized use or disclosure of the Disclosing Party's Confidential Information. The Receiving Party agrees to assist the Disclosing Party in remedying any such unauthorized Use or disclosure of Disclosing Party's Confidential Information.

c. **Exclusions from Nondisclosure and Nonuse Obligations and Ownership and Return of Confidential Information and Other Materials.** The Receiving Party's obligations per sections 9(b) (Nondisclosure and Nonuse Obligations) and 9(d) (Ownership and Return of Confidential Information and Other Materials) of this Attachment A (SaaS Agreement) shall not apply to Confidential Information that the Receiving Party can document: (i) was (through no fault of the Receiving Party) in the public domain at or subsequent to the time the Disclosing Party disclosed the information to the Receiving Party; (ii) was rightfully in the Receiving Party's possession free of any confidentiality obligation at or subsequent to the time the Disclosing Party disclosed it to the Receiving Party; or (iii) was developed by the Receiving Party's employees or agents independent of, and without reference to, any information communicated to the Receiving Party by the Disclosing Party. A Confidential Information disclosure by the Receiving Party either: (A) in response to an enforceable order by a court or other governmental body; (B) as otherwise required by law; or (C) necessary to establish the rights of either party under this Agreement, shall not be a breach of this Agreement by the Receiving Party or a waiver of confidentiality for other purposes; provided, however, the Receiving Party shall provide prompt prior written notice of any such Confidential Information disclosure to the Disclosing Party (to the extent allowed by applicable law) to enable the Disclosing Party to seek a protective order or otherwise prevent such disclosure.

d. **Ownership and Return of Confidential Information and Other Materials.** The Disclosing Party's Confidential Information is and shall remain the Disclosing Party's property, and this Agreement does not grant or imply any license or other rights to the Disclosing Party's Confidential Information except as expressly set forth in this Agreement. Within 5 business days after the Disclosing Party's request, the Receiving Party will promptly either (at the Disclosing Party's election) destroy or deliver to the Disclosing Party all Confidential Information and materials furnished to the Receiving Party, and the Receiving Party agrees to provide a written officer's certification of the Receiving Party's compliance with the foregoing obligation.

e. **Third Party Information Disclosure.** The Disclosing Party shall not communicate any information to the Receiving Party in violation of the proprietary rights of any third party.

f. **Applicable Law.** Yardi acknowledges that Client is subject to the provisions of the Port Authority of New York and New Jersey Freedom of Information Code (the "Applicable Law"). Notwithstanding sections 9(a) (Confidential Information Definition) and 9(b) (Nondisclosure and Nonuse Obligations) of this Attachment A (SaaS Agreement), Yardi agrees that the terms of this Agreement may be disclosed in accordance with, and to the extent required by, the Applicable Law.

#### 10. **Warranties.**

a. **Limited Software Warranty.** Yardi warrants that the Licensed Programs will perform substantially as specified in the Licensed Programs Documentation.

b. **Remedy for Limited Software Warranty Breach.** If Yardi breaches the warranty set forth in section 10(a) (Limited Software Warranty) of this Attachment A (SaaS Agreement), Yardi agrees to use commercially reasonable efforts to modify the Licensed Programs so that the Licensed Programs conform to that warranty. If such modification is not commercially reasonable, then Yardi will notify Client and Client may terminate this Agreement. In the event Client terminates this Agreement per this section 10(b) (Remedy for Limited Software Warranty Breach) of this Attachment A (SaaS Agreement), Yardi will refund to Client, on a pro-rata basis, the annual Fees paid by Client to Yardi within the year prior to the effective date of Client's termination. THE FOREGOING REMEDY IS CLIENT'S SOLE REMEDY IN THE EVENT OF A BREACH OF THE WARRANTY SET FORTH IN SECTION 10(a) (Limited Software Warranty) of this Attachment A (SaaS Agreement).

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c. **Warranty Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, YARDI DISCLAIMS ALL EXPRESS, IMPLIED AND STATUTORY WARRANTIES WITH REGARD TO THE LICENSED PROGRAMS INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

d. **Internet Performance Disclaimer.** Yardi does not and cannot control the flow of data via the internet. Such flow depends in large part on the performance of internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt the internet. Yardi will use commercially reasonable efforts to remedy and avoid such events, but cannot guarantee that such events will not occur. Accordingly, Yardi disclaims any liability resulting from or relating to such events.

**11. Damage Limitations.**

a. **Damage Waiver.** REGARDLESS OF ANY OTHER PROVISION IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, YARDI DISCLAIMS ALL OBLIGATIONS AND LIABILITIES FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF YARDI HAS BEEN ADVISED OF THE POSSIBILITY OF THESE DAMAGES), ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

b. **Liability Limit.** IN ADDITION TO THE LIMITATIONS OTHERWISE SET FORTH IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, CLIENT AGREES THAT IN THE EVENT OF ANY CLAIM OR CAUSE OF ACTION BY CLIENT ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT, YARDI'S MAXIMUM LIABILITY TO CLIENT, REGARDLESS OF THE AMOUNT OF LOSS CLIENT MAY HAVE SUFFERED, SHALL NOT EXCEED THE FEES PAID BY CLIENT TO YARDI PURSUANT TO THIS AGREEMENT WITHIN THE YEAR PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY.

**12. Ownership.**

a. **Yardi's Ownership.** Client agrees that, as between Yardi and Client, Yardi is and shall remain the sole and exclusive owner of all right, title and interest in and to the Licensed Programs, Deliverables, Yardi Cloud, Yardi Cloud Services, and Licensed Programs Documentation, and to all intellectual property rights in the foregoing. The only rights Client obtains in the Licensed Programs, Deliverables, Yardi Cloud, Yardi Cloud Services, and Licensed Programs Documentation are the licenses expressly granted to Client in this Agreement.

b. **Client's Ownership.** Yardi agrees that, as between Yardi and Client, Client is and shall remain the sole and exclusive owner of all right, title and interest in and to Client Data.

**13. Indemnification.**

a. **Indemnity.** Yardi agrees to defend, indemnify and hold Client harmless from and against any third party claims, actions or demands alleging that Client's Use of the Yardi Cloud, Yardi Cloud Services, Licensed Programs, Licensed Programs Documentation, and Deliverables in accordance with this Agreement's terms infringes on a third party's proprietary information, trademark, copyright, patent rights or intellectual property rights, or misappropriates a third party's trade secrets.

b. **Indemnity Conditions.** Yardi's defense and indemnification obligation per section 13(a) (Indemnity) of this Attachment A (SaaS Agreement) is conditioned upon the following: (i) Client providing Yardi with prompt written notice of any claim for which indemnification is sought; (ii) Yardi having sole control of the defense and settlement of such claim, provided, however, that Client shall have the right to have any suit or proceeding monitored by counsel of Client's choice and at its expense; and (iii) Client's reasonable cooperation with Yardi in the defense and settlement of the claim. Yardi shall at its own expense defend any suit based upon any such claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and, notwithstanding the generalities of the conditions described in this Section 13(b) (Indemnity Conditions), in handling such shall not, without obtaining express advance permission from the General Counsel of Client, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority (Client), the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

c. **Injunction.** If the Licensed Programs become the subject of a patent, trademark, copyright, or trade secret misappropriation or infringement claim, and such claim results – or is reasonably likely to result – in an injunction against Client's continued Use of the Licensed Programs, Yardi will: (i) replace or modify the Licensed Programs to avoid the misappropriation/infringement claim; (ii) secure Client's right to continue Use of the Licensed Programs; or (iii) if neither (i) or (ii) is commercially practicable, either party may terminate this Agreement upon written notice to the other party.

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**14. Programming Services.**

a. **Programming Services.** Yardi provides programming services including, without limitation, database customizations, user interface customizations, database reports, database scripts and other programming services (collectively, "Programming Services").

b. **Programming Services Terms.** The Fees for Programming Services, if initially ordered, are set forth in Schedule A (Fee Schedule). Client will otherwise initiate Programming Service requests by providing written notice of the desired services to Yardi, and Yardi will advise Client of Yardi's availability and schedule for performing the Programming Services, with the fees for such additional services (Enhancements) as set forth in Schedule D. Programming Services are subject to Client's written acceptance of: (i) Yardi's schedule for meeting Client's Programming Service request; and (ii) Yardi's Fees for such Programming Services.

c. **Deliverables License.** Subject to Client's full payment of all Undisputed Fees related to Programming Services, Yardi grants to Client a non-exclusive, non-transferable (except as expressly provided in this Agreement), limited license for Designated Users to Use the Deliverables in connection with their Use of the Licensed Programs, Yardi Cloud and Yardi Cloud Services.

**15. Assignment.**

a. **Assignment Limitation.** Neither party shall (either directly or indirectly) assign, sell, convey, pledge, or otherwise transfer this Agreement without first obtaining the other party's express written consent, which shall not be unreasonably withheld.

**16. Outsourcing.**

a. **Server Location.** Yardi reserves the right to locate the servers and other equipment needed to provide the services contemplated by this Agreement either at its facilities or at the facilities of independent service providers. Yardi may change the location of the servers and other equipment needed to provide the services under this Agreement at any time during this Agreement's Term; provided that (i) any such change of location shall not affect Yardi's obligations under this Agreement and shall not interrupt Client's access to the Yardi Cloud, Client Data, Yardi Cloud Services, and the Licensed Programs, (ii) such facilities shall be located solely in the United States.

**17. General Provisions.**

a. **Independent Contractor Status.** The parties agree that they are independent contractors and nothing in this Agreement is intended to make the parties partners, agents, joint venturers, or any other form of joint enterprise, or to make the employees, agents, or representatives of one of the parties into employees, agents, or representatives of the other party. No party to this Agreement shall have any express or implied right or authority to assume or create any obligations on behalf of the other party or to bind the other party to any contract, agreement, or undertaking with any third party.

b. **Binding Effect.** This Agreement is binding on and inures to the benefit of the parties and their permitted assigns, successors, and legal representatives.

c. **Notices.**

(i) The parties shall deliver any notice required by this Agreement by personal delivery, certified U.S. Mail return receipt requested, or established, reputable expedited delivery carrier providing proof of delivery service, and will be deemed given upon confirmed delivery to the party to whom it is intended at its record address. The record addresses of the parties are set forth below.

(ii) If to Client:

Attn: James Summerville  
Pr. Contracts Specialist  
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY  
2 Montgomery Street, 3<sup>rd</sup> Floor  
Jersey City, NJ 07302

With copies to:

Tobi Mettle  
Real Estate Services Department  
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY  
225 Park Avenue South, 19<sup>th</sup> Floor  
New York, NY 10003

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And

Risa A. Resnick, Esq.  
Law Department  
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY  
225 Park Avenue South, 14<sup>th</sup> Floor  
New York, NY 10003

(iii) If to Yardi:

Attn: Chief Operating Officer  
YARDI SYSTEMS, INC.  
430 S. Fairview Ave.  
Goleta, CA 93117

With a copy to:

Attn: Legal Department  
YARDI SYSTEMS, INC.  
430 S. Fairview Ave.  
Goleta, CA 93117

(iv) Either party may change its record address by giving written notice of such change to the other party.

d. **Waiver.** The waiver of a party's breach of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

e. **Severability.** If a court or other body of competent jurisdiction determines that any part of this Agreement is unenforceable, the remainder of this Agreement shall nevertheless remain enforceable.

f. **Headings.** This Agreement's section headings and captions are inserted for convenience only and are not intended to form a material part of this Agreement.

g. **Data Use.** Yardi may aggregate, compile, and use Client Data in order to improve, develop or enhance the Licensed Programs and/or other services offered, or to be offered, by Yardi; provided that no Client Data is identifiable as originating from, or can be traced back to, Client or a Client customer, tenant or resident in such aggregated form.

h. **Non-Solicit/Non-Hire.** The parties agree not to solicit (other than a general solicitation to the public) the employment of, engage as an independent contractor, or hire, any employee of the other party while such person is an employee of the other party and until such person has not been an employee of the other party for 6 months.

i. **Modification.** The parties may only modify or amend this Agreement by a writing signed by both parties.

j. **Force Majeure.** Neither party shall be liable under this Agreement for failure or delay in performance caused by a Force Majeure Event. If a Force Majeure Event occurs, the party affected shall use commercially reasonable efforts to resume the performance excused by the Force Majeure Event.

**19. Source Code Escrow.**

a. **Escrow Agent.** Provided Client agrees to be bound by the relevant terms and pays the associated annual fee (currently \$210.00/year) to Yardi, Yardi agrees to enroll Client as a beneficiary of the software escrow agreement ("Software Escrow Agreement") with Iron Mountain (formerly DSI Technology Escrow Services, Inc.) ("Escrow Agent") for release of the source code for the Licensed Programs (the "Code") in accord with the release conditions in the Software Escrow Agreement. An example copy of the Software Escrow Agreement is attached as Schedule G to this Agreement. Yardi will place the Code in an escrow account maintained by Escrow Agent according to the existing Software Escrow Agreement.

b. **Release Conditions.** Upon the occurrence of the release conditions set forth in the Software Escrow Agreement, Yardi acknowledges that Escrow Agent shall deliver the Code to Client.

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c. **Fees.** Client agrees to pay all initial and annual renewal beneficiary fees to Yardi for the Software Escrow Agreement. Client acknowledges that the Annual Escrow Renewal Fees may be updated from time to time as determined by the Escrow Agent.

d. **Source Code License.** Upon the occurrence of the release conditions set forth in the Software Escrow Agreement, Yardi grants to Client a non-exclusive, non-transferable, limited, perpetual license to use and modify the Code to support Client's Use of the Licensed Programs.

e. **Maintenance of Escrow Agreement.** During the term of this Agreement, Yardi agrees to maintain the Software Escrow Agreement or an escrow agreement materially similar to the Software Escrow Agreement.

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**SCHEDULE A**

**Fee Schedule**

Yardi Pin #: 100053890

Yardi Order #: 34732

**SaaS Select Annual Fees**

	Unit of Measure (UOM)	Count	\$/UOM	\$/UOM		Total Price
				Concession	Net \$/UOM	
Voyager Property Mgmt. & Accounting- Frequent	DU	66	\$2,312.50	(\$425.00)	\$1,887.50	\$124,575.00
Voyager Property Mgmt. & Accounting- Infrequent	DU	58	\$2,312.50	(\$1,312.50)	\$1,000.00	\$58,000.00
ETL interfaceConnect	Interface	2	\$5,000.00	\$0.00	\$5,000.00	\$10,000.00
Expanded Services Package	Fixed Rate	1	\$25,000.00	(\$7,500.00)	\$17,500.00	\$17,500.00
Additional File Storage (500GB)	Fixed Rate	1	\$2,500.00	\$0.00	\$2,500.00	\$2,500.00
Escrow	Fixed Rate	1	\$210.00	\$0.00	\$210.00	\$210.00
New York	Fixed Rate	1	included			included
Additional Test Database	Database	1	included			included
Additional Live Webshare	Webshare	1	included			included
<b>Total Annual Fee</b>						<b>\$212,785.00</b>

**One-Time Services Fees**

	UOM	Count	\$/UOM	\$/UOM		Total Price
				Concession	Net \$/UOM	
Implementation & Training	Fixed Rate					\$193,500.00
Expenses	Fixed Rate					\$13,930.00
Start-Up Fees	DUs	124	\$300.00	\$0.00	\$300.00	\$37,200.00
<b>Total One-Time Fee</b>						<b>\$244,630.00</b>

**Total Fees Due**

	Net Price
Annual Fees	\$212,785.00
One-Time Fees	\$244,630.00
Sub-Total	\$457,415.00
Sales Tax	tax exempt
<b>Total Due</b>	<b>\$457,415.00</b>

**Additional Terms**

**PAYMENT TERMS:**

**SaaS Select Annual Fees and Start-Up Fees:**

- \$37,200.00 (100% of Start-Up Fees) due upon the Effective Date of this Agreement;
- \$212,785.00 (100% of Total Annual Fee) due in equal monthly installments, as follows:
  - o \$17,732.08 due upon the Effective Date of this Agreement;
  - o \$17,732.08 due on or before July 1, 2012;
  - o \$17,732.08 due on or before August 1, 2012;
  - o \$17,732.08 due on or before September 1, 2012;
  - o \$17,732.08 due on or before October 1, 2012;
  - o \$17,732.08 due on or before November 1, 2012;
  - o \$17,732.08 due on or before December 1, 2012;
  - o \$17,732.08 due on or before January 1, 2013;
  - o \$17,732.08 due on or before February 1, 2013;
  - o \$17,732.08 due on or before March 1, 2013;
  - o \$17,732.08 due on or before April 1, 2013;

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- o \$17,732.12 due on or before May 1, 2013.
- o Commencing in Year 2, Client's Total Annual Fee shall be billed in equal monthly installments due on or before the 1<sup>st</sup> of each month. Breakdown of monthly payments through Year 6 is set forth in Schedule H to this Agreement.

**Implementation & Training and Travel Expenses:**

- \$20,743.00 (10%) due upon the Effective Date
- \$31,114.50 (15%) due upon Authority approval of deliverables under the Planning Stage
- \$31,114.50 (15%) due upon Completion of System Installation
- \$31,114.50 (15%) due upon Completion of System Configuration
- \$31,114.50 (15%) due upon Completion of Conversion of Existing Data into New System
- \$62,229.00 (30%) due upon Completion of Training and submission of all associated project documentation

Additional terms set forth in Schedules B-H to this Agreement.

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## SCHEDULE B

### Yardi SAAS Subscription Services and Governance Schedule

#### Yardi Cloud and Client Access

Yardi will allow Client access to the Yardi Cloud via the following methods.

1. Via Internet URL to access and operate the Licensed Programs.
2. Via remote desktop to access the following, depending on operating requirements:
  - a. The Licensed Programs' reports path for management of the Licensed Programs support files;
  - b. A database-level query tool;
  - c. Reporting-writing software, if applicable (third-party software licensing not included);
  - d. Client-server-based system administration tools provided by Yardi.

#### Yardi Cloud Services

Yardi will provide the following Yardi Cloud Services as they relate to the Yardi Cloud:

1. Installation, maintenance (deployment of Microsoft patches and upgrades) and licensing of Microsoft Operating System;
2. Installation, maintenance (deployment of Microsoft patches and upgrades) and licensing of Microsoft SQLServer;
3. Installation, maintenance (deployment of Yardi patches and upgrades) and licensing of the Licensed Programs.
4. Yardi will periodically make available to Client (at no additional cost to Client) updates, upgrades and current versions of the Licensed Programs which will include corrections, enhancements, and/or improvements. Client reserves the right to refuse updates and upgrades of the Licensed Programs; provided, however, that Yardi reserves the right to cease application support services for versions of the Licensed Programs more than 2 years older than the latest version of the Licensed Programs generally released to Yardi's clients.

#### Yardi Cloud Data and File Management

Yardi will provide data and file management services per the following guidelines.

1. Yardi will provide client one live and one test database for the licensed programs. Client may purchase additional databases at Yardi's then-current prevailing rate for additional databases at the time of Client's request.
2. Yardi will provide 1GB of File Storage. "File Storage" means Client Data file storage on file servers separate from the database server used to serve Client Data. Client may purchase additional File Storage at Yardi's then-current prevailing rate for additional File Storage at the time of Client's request. There is no space limit for database (i.e. core data and transactions) storage.
3. Subject to Force Majeure Events, Yardi will execute
  - a. Nightly backups of Client's live database to a backup server; and,
  - b. Weekly backups of Client's live database and the reports path to a backup server.
4. Database backup files will be maintained for 14 days on a server accessible by client via secure transfer server (i.e., at any given time, the last 14 nightly database backups will be on the secure transfer server) from which Client may retrieve the database backups at any time.

#### Licensed Programs Application Support

Yardi will provide technical support for the Yardi Cloud and application support for the Licensed Programs in accord with this Agreement. Yardi is not responsible for Client's use of the Yardi Cloud and its related software and hardware components outside of the specific parameters of this Agreement.

#### Annual Fees Include

Client's SAAS Annual Fees include access to the Yardi Cloud, Licensed Programs license Fees, Licensed Programs updates/upgrades, up to 13 Remote Desktop DUs (defined below), and 213 Licensed Programs application support hours/year. Yardi will debit all application support services (in ¼-hour increments with a ¼-hour minimum) against Client's above-noted application support allotment except when related to a Software Error. "Software Error" means a reproducible failure of the Licensed Programs to materially perform as specified in the Licensed Programs Documentation. Client acknowledges that data preparation and post conversion data clean-up is inherent in any data conversion, and such additional efforts associated with a Client data conversion – if performed by Yardi - will be debited against Client's application support service allotment. Notwithstanding the multi-year Term of this Agreement, Client's annual Fees and included annual application support allotment apply for annual periods ending on each Anniversary Date, and shall not include unused application support time from prior annual periods. If Client needs additional application support hours at any time, Client may purchase additional hours at Yardi's then-current prevailing application support rate at the time Client needs the hours. "Remote Desktop DU" means a DU utilizing MS-Windows remote desktop to access the Yardi Cloud, Licensed Programs, and/or Client Data for administrative purposes. Yardi's Remote Desktop DU change Fee is \$100/change.

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**Additional Terms**

Client acknowledges that additional DUs and Licensed Programs [i.e., in addition to those initially set forth in Schedule A (Fee Schedule)] require additional Fees at Yardi's then-current prevailing rate for the additional DUs or Licensed Programs at the time of Client's request. Subject to: (i) at least 5 business days prior written notice from Client; (ii) Client's execution of an amendment to this Agreement; and (iii) subject to payment of additional Fees, Yardi will increase Client's licensed maximum number of DUs.

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**SCHEDULE C**

**Additional Terms**

**Additional terms for products/modules licensed in Schedule A:**

1. **Property Management and Accounting includes:** GL/AP, Maintenance/Work Orders, New York

**Implementation/Training Details:**

1. **Implementation/Training**—Client agrees to pay for all reasonable expenses in accord with section 5c of this Attachment A (Saas Agreement). At any time, Client may purchase additional implementation/training hours at Yardi's then-current prevailing implementation/training rate, plus reasonable expenses in accord with section 5c.
2. **Travel Expenses**—Fixed travel expenses for up to five unique on-site trips per RFP specifications.

**Concession Details:**

1. All annual concessions set forth in Schedule A are contingent upon Client maintaining the license count set forth in Schedule A. If Client reduces the initial license count, the concession shall be reduced in correlation to the license reduction.

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**SCHEDULE D**  
**10-Year Pricing Schedule**

Attached separately paginated.

Subscription Service Option (SaaS Select)

	<u>Extended</u>
Voyager for Government	
Frequent Users	\$ 124,575.00
Infrequent Users	\$ 58,000.00
New York Module	included
Escrow	\$ 230.00
ETL Interface-SAP	\$ 5,000.00
ETL Interface-BMMS	\$ 5,000.00
Extended Services Package	\$ 17,500.00
Additional Test DB	included
Additional Webshare	included
Additional File Storage (500GB)	\$ 2,500.00
Subtotal Software	\$ 212,785.00
One-time User Startup Fees	\$ 37,200.00
Data Requirements, Collection, Entry	\$ 135,000.00
Configuration	\$ 24,000.00
Acceptance Test	\$ 16,500.00
Training	\$ 18,000.00
Travel-Fixed	\$ 13,930.00
Total Labor	\$ 207,430.00
Warranty Period (6 months)	\$ 351,022.50
Year One Total (6 mos)	\$ 106,392.50
Year Two Total (12 mos)	\$ 159,588.75
Year Three total (12 mos)	\$ 175,547.63
Year Four Total (12 mos)	\$ 212,785.00
Year Five Total (12 mos)	\$ 212,785.00
Year Six Total (12 mos)	\$ 212,785.00
Contract period total (72 months)	\$ 1,430,906.38
First Option Period	
Year One (12 mos)	\$ 212,785.00
Year Two (12 mos)	\$ 212,785.00
Escrow	included
Total	\$ 425,570.00
Second Option Period	
Year One (12 mos)	\$ 212,785.00
Year Two (12 mos)	\$ 212,785.00
Escrow	included
Total	\$ 425,570.00
Enhancements, Base Term (optional)	
Sftw Engineer	\$ 18,740.00
Prgm Manager	\$ 21,082.00
Trainer	\$ 18,740.00
Jr Programmer	\$ 37,480.00
Sr Programmer	to be done by Jr. Programmer
Total	\$ 96,042.00
Enhancements, 1st Option (optional)	
Sftw Engineer	\$ 11,244.00
Prgm Manager	\$ 12,649.20
Trainer	\$ 11,244.00
Jr Programmer	\$ 22,488.00
Sr Programmer	to be done by Jr. Programmer
Total	\$ 57,625.20
Enhancements, 2nd Option (optional)	
Sftw Engineer	\$ 11,244.00
Prgm Manager	\$ 12,649.20
Trainer	\$ 11,244.00
Jr Programmer	\$ 22,488.00
Sr Programmer	to be done by Jr. Programmer
Total	\$ 57,625.20
TOTAL COST OF CONTRACT	\$ 2,493,338.78

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## SCHEDULE E

### Yardi Cloud Service Level Agreement

During the term of this Agreement, and subject its terms, Yardi's metrics are to meet the following service levels.

#### SECTION I – Performance metrics

##### 1. Yardi Cloud Availability

"Yardi Cloud Availability" is a cumulative measure of the availability of the following components:

Network Availability [WAN (ISP Access) and LAN layers];

Operating Systems (servers, including dedicated development servers, storage devices, switches, local balancers, routers and firewalls); and

Application Availability (Voyager application).

##### Scheduled Hours of Operational Down-Time (relative to Yardi Cloud Availability)

Yardi conducts scheduled maintenance from 11:00 pm (Saturdays) to 3:00 am (Sundays) (local time at the data center). Additionally, Yardi conducts daily database backups between the hours of 12:00 am and 2:00 am (local time at the data center). Backups are stored locally and at Yardi's alternate data center. The last 14 nightly Client Data backups are available for Client's retrieval from Yardi's secure transfer site. Subject to Force Majeure Events, any down time experienced outside the above-noted time standing maintenance/backup hours without Client's prior notification will be counted against Yardi Cloud Availability.

**Service Level** – Yardi's metric is to deliver at least 99.5% Yardi Cloud Availability.

**Measurement** – Yardi Cloud Availability is measured by taking the potential scheduled uptime for the month (24 hrs x # of days in month, less the scheduled downtime) minus any experienced, unscheduled downtime, divided by the potential scheduled uptime for the month. An example of this calculation for a month with 31 days, 4 Saturdays and 3.37 hours (3 hours, 22 minutes, 12 seconds) of experienced, unscheduled downtime would be:

$$[(31 \times 24) - (31 \times 2) - (4 \times 2) - 3.37] / [(31 \times 24) - (31 \times 2) - (4 \times 2)] = 99.5\%$$

**Measurement Period** – Monthly.

##### 2. Performance Credit Relative to Yardi Cloud Availability

The performance credit for this service level metric, when not met, will be further evaluated as either a major or minor violation based on the following criteria:

- A major violation is any Yardi Cloud Availability outage for which Yardi falls below its monthly 99.5% Yardi Cloud Availability service level and which occurs during Business Hours (as defined in note 1 to Table A-1); the performance credit will be equal to 1 day's annual Fees (i.e., Client's then-current annual fee pursuant to this Agreement - to the extent paid by Client to Yardi - divided by 365) for each cumulative 4-hour period (or portion thereof) during a given month that Yardi falls below its monthly 99.5% service level.
- A minor violation is any Yardi Cloud Availability outage for which Yardi falls below its monthly 99.5% Yardi Cloud Availability service level and which occurs outside Business Hours (as defined in note 1 to Table A-1); the performance credit will be equal to 1 day's annual Fees (i.e., Client's then-current annual fee pursuant to this Agreement - to the extent paid by Client to Yardi - divided by 365) for each cumulative 12-hour period (or portion thereof) during a given month that Yardi falls below its monthly 99.5% service level.

##### 3. End to End Application Response

**Service Level** – Yardi's goal relative to end-to-end application response is a consistent response time of less than 6 seconds. However, this is not a contractual, service level obligation because of the network and other factors outside Yardi's control.

##### 4. Application Response

**Service Level** – Yardi's metric is that the elapsed time for a packet sent from Yardi's application layer servers to the Yardi network entry/egress routers will be less than 3 seconds.

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**5. Procedural Responses**

**A. Service Level** -- Yardi's metric is to answer 99% of all cases within the time frames defined for each level in Table A-1, below. Initial responses to severity 1, 2 and 3 level for issues properly submitted to Yardi's technical staff regarding Yardi Cloud Services issues will occur within the following times applicable to the service level. This is the time lapse between when a call is received and assignment of trouble ticket is made to the appropriate support team.

**Table A-1 Problem Report/Support Response Service Level**

Severity Level	Service Level	Business Hours <sup>1</sup>	Off-Hours
Level 1	Business Critical	15 minutes	1 hour
Level 2	Business Critical w/exception	1 hour	2 hour
Level 3	Non Business Critical	4 hours	Next Business Day

<sup>1</sup> For purposes of this Schedule, "Business Hours" means 8:00 am – 5:00 pm (local time at the data center), Monday – Friday excluding holidays.

**Measurement**—Total # of cases meeting the Table A-1 Level 1 response times divided by the total number of Level 1 cases = %.

**B. Escalation Service Level** -- Yardi's metric is to properly identify and escalate 99% of Severity Level 1, 2 and 3 issues in accord with Yardi's escalation procedures (See Table A-2).

**Definition of Severity Levels**

**Severity Level 1** -- Production system is completely unavailable or is inoperable, or is affected such that critical business processes are completely unavailable or inoperable.

**Severity Level 2** -- Production system is available, but non-critical business processes and multiple users are substantially impacted, or are affected such that critical business processes are unavailable or inoperable.

**Severity Level 3** -- Production system is available, but a single user or non-critical business processes are adversely impacted, or the test or development systems functions, but multiple users are impacted.

**Table A-2 Escalation Service Level Options**

Severity	Notification Within	Client Notification	Yardi Notification
Level 1	30 minutes	Client to define	VP – IT of Applications
	2 hours	Client to define	COO / CEO
Level 2	4 hours	Client to define	VP – IT or Applications
	8 hours	Client to define	COO / CEO
Level 3	1 business day	Client to define	VP – IT or Applications

**Measurement** – The sum of the actual response times for all cases is divided by the sum of the allowed response time for all cases. A manual process will be used to collect the information to be used to measure the escalation service level.

**Measurement Period** – Monthly.

**6. Summary of Yardi Cloud Service Level Agreement Performance Metrics**

**Table A-3 Summary of SLA Performance Metrics**

Service	SLA	Metric	Yardi Metric
Yardi Cloud Availability	Network Availability	Network Uptime	99.5%
	<ul style="list-style-type: none"> <li>• LAN</li> <li>• WAN (ISP access)</li> </ul>		
	Operating Systems	System Uptime	99.5%
	<ul style="list-style-type: none"> <li>• Servers</li> <li>• Storage Devices</li> <li>• Switches</li> <li>• Load Balancers</li> <li>• Routers</li> </ul>		

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	• Firewalls		
	Application Availability	Application Uptime	99.5%
	• Enterprise • Voyager		
Application Performance	End to End response	End User to/from application at Ya	< 6 sec. (this is a goal only)
	Application response	Internal, on-site response time at NOC	< 3 sec.

**SECTION II - Testing**

1. **Functionality Testing** – Yardi will perform functionality testing on all Licensed Programs releases and, upon Client's request, forward the test results to Client in the form of release notes.
2. **Security Testing** -- Upon Client's request (no more than annually), Yardi will provide Client with a report showing intrusion detection test results. Client agrees that the intrusion detection results are Confidential Information under this Agreement.

**SECTION III - General Notes**

1. The application availability component of Yardi Cloud Availability is dependent upon proper configuration of all network systems and the availability of the underlying relevant application and infrastructure components receiving or delivering information to and from the Yardi Cloud at levels equal to or greater than the application availability level.

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**SCHEDULE F**

**Current Minimum Client Hardware and Software Requirements**

Operating System: MS Windows 2000 Professional, Windows XP Professional or Windows NT Workstation 4.0; Service Pack 6 or later  
Processor: Pentium or AMD Athlon; 233 mhz or greater  
RAM: 64 MB or greater  
Free HD Space: 100 megabytes or more  
Browser: Internet Explorer 5.0 or greater  
Network Connection: Broadband connection to the Internet  
Network Specs: 10/100 ethernet hub for 1-10 users, 10/100 ethernet switch for 10 or more users  
Screen Resolution: 1024 x 768 (for best viewing)  
Printer: HP LaserJet IISi; 4 Plus; 4M Plus; 4Si; 5; 5m; 5Si; or 6L (to print from the Application)  
Software: MS Office  
DB Report Software: Crystal Reports (if Client will be creating and using custom reports)  
Also: Adobe Acrobat Reader  
Crystal Viewer  
Microsoft Excel Plug-in  
Citrix Client (for Citrix Designated User access)

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**SCHEDULE G**

**Sample Escrow Agreement**

**EXHIBIT T**

**FLEXSAFE BENEFICIARY ENROLLMENT**

Account Number \_\_\_\_\_

Pursuant to the FlexSAFE Escrow Agreement ("Agreement"). Depositor hereby enrolls the following as a FlexSAFE Beneficiary:

Notices and communications to FlexSAFE Beneficiary should be addressed to:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Designated Contact: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Invoices to FlexSAFE Beneficiary should be addressed to:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_

\_\_\_\_\_

P.O.#, if required: \_\_\_\_\_

\_\_\_\_\_  
Depositor

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DSI Technology Escrow Services, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**FLEXSAFE ESCROW AGREEMENT**

Account Number \_\_\_\_\_

This agreement ("Agreement") is effective \_\_\_\_\_, 2003 between DSI Technology Escrow Services, Inc. ("DSI") and Yardi Systems, Inc. ("Depositor"), who collectively may be referred to in this Agreement as the parties ("Parties") and who are more fully identified in Exhibit A.

A. Depositor and Depositor's client have entered or will enter into a license agreement, development agreement, and/or other agreement regarding certain proprietary technology of Depositor (referred to in this Agreement as "the License Agreement").

B. Depositor desires to avoid disclosure of its proprietary technology except under certain limited circumstances.

C. Depositor desires to establish an escrow with DSI to provide for the retention, administration and controlled access of the proprietary technology materials of Depositor.

D. The parties desire this Agreement to be supplementary to the License Agreement pursuant to 11 United States [Bankruptcy] Code, Section 365(n).

**ARTICLE 1 -- DEPOSITS**

1.1 Obligation to Make Deposit. Upon the signing of this Agreement by the parties, Depositor shall deliver to DSI the proprietary technology and other materials ("Deposit Materials") to be deposited under this Agreement.

1.2 Identification of Tangible Media. Prior to the delivery of the Deposit Materials to DSI, Depositor shall conspicuously label for identification each document, magnetic tape, disk, or other tangible media upon which the Deposit Materials are written or stored. Additionally, Depositor shall complete Exhibit B to this Agreement by listing each such tangible media by the item label description, the type of media and the quantity. Exhibit B shall be signed by Depositor and delivered to DSI with the Deposit Materials. Unless and until Depositor makes the initial deposit with DSI, DSI shall have no obligation with respect to this Agreement, except the obligation to notify Depositor regarding the status of the account as required in Section 3.2.

1.3 Deposit Inspection. When DSI receives the Deposit Materials and Exhibit B, DSI will conduct a deposit inspection by visually matching the labeling of the tangible media containing the Deposit Materials to the item descriptions and quantity listed on Exhibit B.

1.4 Acceptance of Deposit. At completion of the deposit inspection, if DSI determines that the labeling of the tangible media matches the item descriptions and quantity on Exhibit B, DSI

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will date and sign Exhibit B and mail a copy thereof to Depositor. If DSI determines that the labeling does not match the item descriptions or quantity on Exhibit B, DSI will (a) note the discrepancies in writing on Exhibit B; (b) date and sign Exhibit B with the exceptions noted; and (c) mail a copy of Exhibit B to Depositor. DSI's acceptance of the deposit occurs upon the signing of Exhibit B by DSI.

1.5 Depositor's Representations. Depositor represents as follows:

- a. Depositor lawfully possesses all of the Deposit Materials deposited with DSI;
- b. With respect to all of the Deposit Materials, Depositor has the right and authority to grant to DSI the rights as provided in this Agreement; and
- c. The Deposit Materials are not subject to any lien or other encumbrance.
- d. The Deposit Materials are readable and useable in their current form or, if any portion of the Deposit Materials is encrypted, the decryption tools and decryption keys have also been deposited.

1.6 Deposit Updates. Updates to the Deposit Materials may be added to the existing deposit. All deposit updates shall be listed on a new Exhibit B and Depositor shall sign the new Exhibit B. Each Exhibit B will be held and maintained separately within the escrow account. An independent record will be created which will document the activity for each Exhibit B. The processing of all deposit updates shall be in accordance with Sections 1.2 through 1.5. All references in this Agreement to the Deposit Materials shall include the initial Deposit Materials and any updates.

1.7 Removal of Deposit Materials. The Deposit Materials may be removed and/or exchanged only on written instructions signed by Depositor or as otherwise provided in this Agreement.

## ARTICLE 2 -- FLEXSAFE ENROLLMENTS

2.1 FlexSAFE Beneficiary. As used in this Agreement ("FlexSAFE Beneficiary") shall mean one or more FlexSAFE Beneficiaries depending on Depositor Enrollment(s), in accordance with Section 2.2.

2.2 FlexSAFE Enrollment(s). Depositor may enroll one or more beneficiaries under this Agreement. Depositor will execute and submit to DSI a FlexSAFE Beneficiary Enrollment document, referenced in this Agreement as Exhibit T, listing each beneficiary to be enrolled as a FlexSAFE Beneficiary under the Agreement. Upon DSI's acceptance of Exhibit T and any additional Exhibit T thereto, DSI will issue an enrollment letter and a copy of this Agreement to the FlexSAFE Beneficiary.

2.3 Other Third Parties. DSI shall have no obligation to any other third party except a FlexSAFE Beneficiary accepted by DSI. DSI and Depositor shall have the right to modify or cancel the Agreement without the consent of any third party.

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ARTICLE 3 -- CONFIDENTIALITY AND RECORD KEEPING

3.1 Confidentiality. DSI shall maintain the Deposit Materials in a secure, environmentally safe, locked facility which is accessible only to authorized representatives of DSI. DSI shall have the obligation to reasonably protect the confidentiality of the Deposit Materials. Except as provided in this Agreement, DSI shall not disclose the content of this Agreement to any third party and shall not disclose, transfer, make available, or use the Deposit Materials. If DSI receives a subpoena or any other order from a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Materials, DSI will immediately notify Depositor unless prohibited by law. It shall be the responsibility of Depositor to challenge any such order; however, DSI does not waive its rights to present its position with respect to any such order. DSI will not be required to disobey any order from a court or other judicial tribunal. (See Section 8.5 for notices of requested orders.)

3.2 Status Reports. DSI will issue to Depositor and FlexSAFE Beneficiary a report profiling the account history at least semi-annually. DSI may provide copies of the account history upon request. Depositor will notify DSI if the account history is not to be provided to FlexSAFE Beneficiary.

3.3 Audit Rights. During the term of this Agreement, Depositor shall have the right to inspect the written records of DSI pertaining to this Agreement. Any inspection shall be held during normal business hours and following reasonable prior notice.

ARTICLE 4 -- GRANT OF RIGHTS TO DSI

4.1 Title to Media. Depositor hereby transfers to DSI the title to the media upon which the proprietary technology and materials are written or stored. However, this transfer does not include the ownership of the proprietary technology and materials contained on the media such as any copyright, trade secret, patent or other intellectual property rights.

4.2 Right to Make Copies. DSI shall have the right to make copies of the Deposit Materials as reasonably necessary to perform this Agreement. DSI shall copy all copyright, nondisclosure, and other proprietary notices and titles contained on the Deposit Materials onto any copies made by DSI. With all Deposit Materials submitted to DSI, Depositor shall provide any and all instructions as may be necessary to duplicate the Deposit Materials including but not limited to the hardware and/or software needed.

4.3 Right to Transfer Upon Release. Depositor hereby grants to DSI the right to transfer the Deposit Materials to FlexSAFE Beneficiary upon any release of the Deposit Materials for use by FlexSAFE Beneficiary in accordance with Section 5.4. Except upon such a release or as otherwise provided in this Agreement, DSI shall not transfer the Deposit Materials.

ARTICLE 5 -- RELEASE OF DEPOSIT

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5.1 Release of Deposit Upon Depositor's Instruction. Upon receipt by DSI of written instruction(s) directly from Depositor, Depositor's trustee in bankruptcy, or a court of competent jurisdiction, DSI will release a copy of the Deposit Materials to the FlexSAFE Beneficiary identified in the instruction(s). However, DSI is entitled to receive any fees due DSI before making the release. Any copying expense in excess of \$300 will be chargeable to FlexSAFE Beneficiary. This Agreement will terminate upon the release of the Deposit Materials held by DSI.

5.2 Filing for Release of Deposit by FlexSAFE Beneficiary.

- a. Upon notice to DSI by FlexSAFE Beneficiary of the occurrence of a release condition as defined in Section 5.3, DSI shall provide Depositor with a copy of FlexSAFE Beneficiary's notice by commercial express mail. From the date DSI mails the notice requesting release of the Deposit Materials, Depositor shall have 30 days to deliver to DSI contrary instructions ("Contrary Instructions").

Contrary Instructions shall mean the written representation by Depositor that a Release Condition has not occurred or has been cured. Upon receipt of Contrary Instructions, DSI shall send a copy of the Contrary Instructions to FlexSAFE Beneficiary by commercial express mail. Additionally, DSI shall notify both Depositor and FlexSAFE Beneficiary that there is a dispute to be resolved pursuant to Section 8.3. Subject to Section 6.3, DSI will continue to store the Deposit Materials without release pending (a) joint instructions from Depositor and FlexSAFE Beneficiary; (b) dispute resolution pursuant to Section 8.3; or (c) order of a court.

- b. If no Contrary Instructions are given to DSI, Depositor agrees that DSI shall deliver a copy of the Deposit Materials to the FlexSAFE Beneficiary who provides DSI with all of the following:

1. Copy of the current License Agreement between Depositor and FlexSAFE Beneficiary;
2. Written demand that a copy of the Deposit Materials be released and delivered to FlexSAFE Beneficiary;
3. Written notice that the copy of the Deposit Materials being released to FlexSAFE Beneficiary only be used as permitted under the License Agreement;
4. Specific delivery instructions along with any fees due DSI; and
5. Written notice that the release of the copy of the Deposit Materials is pursuant to 11 United States Code Section 365(n) or other applicable federal or state bankruptcy, insolvency, reorganization or liquidation statute.

5.3 Release Conditions. As used in this Agreement, "Release Condition" shall mean the existence of any one or more of the following circumstances, uncorrected for more than 30 days:

- a. Entry of an order for relief under Title 11 of the United States Code;

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- b. The making by Depositor of a general assignment for the benefit of creditors;
- c. The appointment of a general receiver or trustee in bankruptcy of Depositor's business or property; or
- d. Action by Depositor under any state or federal insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation.

5.4 Right to Use Following Release. Unless otherwise provided in the License Agreement, upon release of the Deposit Materials in accordance with this Article 5, FlexSAFE Beneficiary shall have the right to use the Deposit Materials for the sole purpose of continuing the benefits afforded to FlexSAFE Beneficiary by the License Agreement. FlexSAFE Beneficiary shall be obligated to maintain the confidentiality of the released Deposit Materials.

#### ARTICLE 6 -- TERM AND TERMINATION

6.1 Term of Agreement. The initial term of this Agreement is for a period of one year. Thereafter, this Agreement shall automatically renew from year-to-year unless (a) Depositor instructs DSI in writing that the Agreement is terminated; or (b) DSI instructs Depositor and FlexSAFE Beneficiary in writing that the Agreement is terminated for nonpayment in accordance with Section 6.3 or by resignation in accordance with Section 6.4. If the Deposit Materials are subject to another escrow agreement with DSI, DSI reserves the right, after the initial one year term, to adjust the anniversary date of this Agreement to match the then prevailing anniversary date of such other escrow arrangements.

6.2 Term of FlexSAFE Enrollment. Upon receipt by DSI of Depositor's executed Exhibit T, the FlexSAFE Beneficiary will be enrolled for an initial term of one year, unless this Agreement terminates earlier, causing the FlexSAFE Beneficiary enrollment to terminate. Subsequent enrollment terms may be adjusted to the anniversary date of this Agreement and shall automatically renew from year-to-year unless (a) Depositor instructs DSI in writing to terminate the FlexSAFE Beneficiary enrollment; (b) FlexSAFE Beneficiary instructs DSI in writing to terminate the FlexSAFE Beneficiary; or (c) the enrollment is terminated by DSI for nonpayment in accordance with Section 6.3.

6.3 Termination for Nonpayment. In the event of the nonpayment of fees owed to DSI, DSI shall provide written notice of delinquency to all parties to this Agreement. Unless Depositor has instructed DSI to terminate FlexSAFE Beneficiary pursuant to subsection 6.2(a), Depositor or FlexSAFE Beneficiary shall have the right to make the payment to DSI to cure the default. If the past due payment is not received in full by DSI within one month of the date of such notice, then DSI shall have the right to terminate this Agreement at any time thereafter by sending written notice of termination to all parties. DSI shall have no obligation to take any action under this Agreement so long as any payment due to DSI remains unpaid.

6.4 Termination by Resignation. DSI reserves the right to terminate this Agreement, for any reason, by providing Depositor with 60-days' written notice of its intent to terminate this Agreement. Within the 60-day period, the Depositor may provide DSI with written instructions authorizing DSI to forward the Deposit Materials to another escrow company and/or agent or other designated recipient. If DSI does not receive said written instructions within 60 days of the

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date of DSI's written termination notice, then DSI shall destroy, return or otherwise deliver the Deposit Materials in accordance with Section 6.5.

6.5 Disposition of Deposit Materials Upon Termination. Subject to the foregoing termination provisions, and upon termination of this Agreement, DSI shall destroy, return, or otherwise deliver the Deposit Materials in accordance with Depositor's instructions. If there are no instructions, DSI may, at its sole discretion, destroy the Deposit Materials or return them to Depositor. DSI shall have no obligation to destroy or return the Deposit Materials if the Deposit Materials are subject to another escrow agreement with DSI or have been released to the FlexSAFE Beneficiary in accordance with Section 5.3.

6.6 Survival of Terms Following Termination. Upon termination of this Agreement, the following provisions of this Agreement shall survive:

- a. Depositor's Representations (Section 1.5);
- b. The obligations of confidentiality with respect to the Deposit Materials;
- c. The rights granted in the sections entitled Right to Transfer Upon Release (Section 4.3) and Right to Use Following Release (Section 5.4), if a release of the Deposit Materials has occurred prior to termination;
- d. The obligation to pay DSI any fees and expenses due;
- e. The provisions of Article 8; and
- f. Any provisions in this Agreement which specifically state they survive the termination of this Agreement.

#### ARTICLE 7 -- DSI'S FEES

7.1 Fee Schedule. DSI is entitled to be paid its standard fees and expenses applicable to the services provided. DSI shall notify the party responsible for payment of DSI's fees at least 60 days prior to any increase in fees. For any service not listed on DSI's standard fee schedule, DSI will provide a quote prior to rendering the service, if requested.

7.2 Payment Terms. DSI shall not be required to perform any service unless the payment for such service and any outstanding balances owed to DSI are paid in full. Fees are due upon receipt of a signed contract or receipt of the Deposit Materials whichever is earliest.

#### ARTICLE 8 -- LIABILITY AND DISPUTES

8.1 Right to Rely on Instructions. DSI may act in reliance upon any instruction, instrument, or signature reasonably believed by DSI to be genuine. DSI may assume that any employee of Depositor or FlexSAFE Beneficiary who gives any written notice, request, or instruction has the authority to do so. DSI will not be required to inquire into the truth or evaluate the merit of any

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statement or representation contained in any notice or document. DSI shall not be responsible for failure to act as a result of causes beyond the reasonable control of DSI.

8.2 Indemnification. Depositor agrees to indemnify, defend and hold harmless DSI from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities ("Liabilities") incurred by DSI relating in any way to this escrow arrangement unless such Liabilities were caused solely by the negligence or willful misconduct of DSI.

8.3 Dispute Resolution. Any dispute relating to or arising from this Agreement shall be resolved by arbitration under the Commercial Rules of the American Arbitration Association. Three arbitrators shall be selected. The Depositor and FlexSAFE Beneficiary shall each select one arbitrator and the two chosen arbitrators shall select the third arbitrator, or failing agreement on the selection of the third arbitrator, the American Arbitration Association shall select the third arbitrator. However, if DSI is a party to the arbitration, DSI shall select the third arbitrator. Unless otherwise agreed by Depositor and FlexSAFE Beneficiary, arbitration will take place in San Diego, California, U.S.A. Any court having jurisdiction over the matter may enter judgment on the award of the arbitrator(s). Service of a petition to confirm the arbitration award may be made by First Class mail or by commercial express mail, to the attorney for the party or, if unrepresented, to the party at the last known business address.

8.4 Controlling Law. This Agreement is to be governed and construed in accordance with the laws of the State of California, without regard to its conflict of law provisions.

8.5 Notice of Requested Order. If any party intends to obtain an order from the arbitrator or any court of competent jurisdiction which may direct DSI to take, or refrain from taking any action, that party shall:

- a. Give DSI at least two business days' prior notice of the hearing;
- b. Include in any such order that, as a precondition to DSI's obligation, DSI be paid in full for any past due fees and be paid for the reasonable value of the services to be rendered pursuant to such order; and
- c. Ensure that DSI not be required to deliver the original (as opposed to a copy) of the Deposit Materials if DSI may need to retain the original in its possession to fulfill any of its other duties.

#### ARTICLE 9 -- GENERAL PROVISIONS

9.1 Entire Agreement. This Agreement, which includes Exhibits described herein, embodies the entire understanding between the parties with respect to its subject matter and supersedes all previous communications, representations or understandings, either oral or written. DSI is not a party to the License Agreement between Depositor and FlexSAFE Beneficiary and has no knowledge of any of the terms or provisions of any such License Agreement. DSI's only obligations to Depositor or FlexSAFE Beneficiary are as set forth in this Agreement. No amendment or modification of this Agreement shall be valid or binding unless signed by both parties hereto, except Exhibit A need not be signed by either party.

9.2 Notices. All notices, invoices, payments, deposits and other documents and communications shall be given to the parties at the addresses specified in Exhibit A. It shall be the responsibility of the parties to notify each other as provided in this Section in the event of a change of address. The parties shall have the right to rely on the last known address of the other parties. Unless otherwise provided in this Agreement, all documents and communications may be delivered by First Class mail.

9.3 Severability. In the event any provision of this Agreement is found to be invalid, voidable or unenforceable, the parties agree that unless it materially affects the entire intent and purpose of this Agreement, such invalidity, voidability or unenforceability shall affect neither the validity of this Agreement nor the remaining provisions herein, and the provision in question shall be deemed to be replaced with a valid and enforceable provision most closely reflecting the intent and purpose of the original provision.

9.4 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. However, DSI shall have no obligation in performing this Agreement to recognize any successor or assign of Depositor unless DSI receives clear, authoritative and conclusive written evidence of the change of parties.

9.5 Regulations. Depositor is responsible for and warrants compliance with all applicable laws, rules and regulations, including but not limited to customs laws, import, export, and re-export laws and government regulations of any country from or to which the Deposit Materials may be delivered in accordance with the provisions of this Agreement.

Yardi Systems, Inc.  
Depositor

DSI Technology Escrow Services, Inc.

By: Gordon Morrell

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Executive VP, C.O.O.

Title: \_\_\_\_\_

Date: October 1, 2001

Date: \_\_\_\_\_

**EXHIBIT A**

**DESIGNATED CONTACT**

Account Number \_\_\_\_\_

Notices, deposit material returns and communications to Depositor should be addressed to:

Company Name: Yardi Systems, Inc.  
Address: 430 South Fairview Ave.  
Goleta, CA 93117  
Designated Contact: Gordon Morrell  
Telephone: 805-699-2040 x105  
Facsimile: 805-699-2044  
E-Mail: Gordon.Morrell@yardi.com

Invoices to Depositor should be addressed to:

Yardi Systems, Inc.  
430 South Fairview Ave.  
Goleta, CA 93117

Contact: Monica Schlagel

P.O.#, if required: \_\_\_\_\_

Requests from Depositor to change the designated contact should be given in writing by the designated contact or an authorized employee.

Contracts, Deposit Materials and notices to DSI should be addressed to:

DSI Technology Escrow Services, Inc.  
Contract Administration  
9265 Sky Park Court, Suite 202  
San Diego, CA 92123

Telephone: (858) 499-1600  
Facsimile: (858) 694-1919  
E-Mail: [ca@dsiescrow.com](mailto:ca@dsiescrow.com)

Invoice inquiries and fee remittances to DSI should be addressed to:

DSI Technology Escrow Services, Inc.  
PO Box 45156  
San Francisco, CA 94145-0156

(858) 499-1636  
(858) 499-1637

Date: \_\_\_\_\_

\_\_\_\_\_ Yardi \_\_\_\_\_ Client

**Confidential**

Preparation Date: December 7, 2012 1:34 PM

EXHIBIT B

DESCRIPTION OF DEPOSIT MATERIALS

Depositor Company Name: Yardi Systems, Inc.

Account Number \_\_\_\_\_

Product Name: Yardi Enterprise \_\_\_\_\_ Version \_\_\_\_\_  
(Product Name will appear as Exhibit B Name on Account History report)

DEPOSIT MATERIAL DESCRIPTION:

Quantity	Media Type & Size	Label Description of Each Separate Item
_____	Disk 3.5" or _____	
_____	DAT tape _____ mm	
_____	CD-ROM	
_____	Data cartridge tape _____	
_____	TK 70 or _____ tape	
_____	Magnetic tape _____	
_____	Documentation	
_____	Other _____	

PRODUCT DESCRIPTION:

Environment \_\_\_\_\_

DEPOSIT MATERIAL INFORMATION:

Is the media or are any of the files encrypted? Yes / No If yes, please include any passwords and the decryption tools.

Encryption tool name \_\_\_\_\_ Version \_\_\_\_\_

Hardware required \_\_\_\_\_

Software required \_\_\_\_\_

Other required information \_\_\_\_\_

I certify for Depositor that the above described Deposit Materials have been transmitted to DSI:

DSI has inspected and accepted the above materials (any exceptions are noted above):

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date Accepted \_\_\_\_\_

Exhibit B# \_\_\_\_\_

Send materials to: DSI, 9265 Sky Park Ct., Suite 202, San Diego, CA 92123 (858) 499-1600

\_\_\_\_\_ Yardi \_\_\_\_\_ Client

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Preparation Date: December 7, 2012 1:34 PM



AMENDMENT TO ESCROW SERVICE AGREEMENT (the "Agreement")

by and between

IRON MOUNTAIN INTELLECTUAL PROPERTY MANAGEMENT, INC. ("IMIPM") and "DEPOSITOR" and any other party agreeing to the terms of the Agreement (the "Amendment")

<b>CUSTOMER NAME:</b> Yardi Systems, Inc. ("DEPOSITOR")	<b>ACCOUNT NUMBER:</b> 21161 (Account number is for IMIPM reference only. The Amendment shall apply to all accounts governed by the Agreement).	<b>COMPANY NUMBER:</b> 2501013	<b>AGREEMENT EFFECTIVE DATE:</b> October 19, 2001
<b>Primary Contact:</b> Matt Dentinger	<b>Title:</b>	<b>E-mail:</b> Matt.dentinger@yardi.com	
<b>Street Address:</b> 430 South Fairview Ave.	<b>City:</b> Goleta	<b>State:</b> CA	<b>Zip + 4:</b> 93117
<b>Tel:</b> 805-699-2040, ext. 389	<b>Fax:</b>		

This Amendment is hereby entered into by and between DEPOSITOR and Iron Mountain Intellectual Property Management, Inc. ("IMIPM").

WHEREAS, IMIPM and the DEPOSITOR entered into an agreement on the Agreement Effective Date; and,

WHEREAS, IMIPM requires the terms and conditions be amended as a condition of its renewal of the Agreement and these amended terms and conditions shall apply to any party enrolling to the Agreement hereafter;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree to amend the terms and conditions of the Agreement as follows:

- In the event the Agreement references Data Securities International, Inc. or DSI Technology Escrow Services, Inc. ("DSI") or Fort Knox or Source File as the escrow agent, all of whom are now known as Iron Mountain Intellectual Property Management, Inc. or IMIPM, all references in the Agreement, if any, to DSI, Fort Knox or Source File shall now be understood and agreed to refer to IMIPM.
- The Agreement is hereby modified by deleting in its entirety any and all language referencing indemnification, if any, and adding the following:

General Indemnity.

Subject to Section 3 and 4 herein, each Party shall defend, indemnify and hold harmless the others, their corporate affiliates and their respective officers, directors, employees, and agents and their respective successors and assigns from and against any and all claims, losses, liabilities, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising under this Agreement from the negligent or intentional acts or omissions of the indemnifying Party or its subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them.

- The Agreement is hereby modified by deleting in its entirety any and all language referencing limitation of liability, if any, and adding the following:

Limitation of Liability.

NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT, ALL LIABILITY, IF ANY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, OF ANY PARTY TO THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT EQUAL TO ONE YEAR OF FEES PAID OR OWED TO IRON MOUNTAIN UNDER THIS AGREEMENT. IF CLAIM OR LOSS IS MADE IN RELATION TO A SPECIFIC DEPOSIT OR DEPOSITS, SUCH LIABILITY SHALL BE LIMITED TO THE FEES RELATED SPECIFICALLY TO SUCH DEPOSITS. THIS LIMIT SHALL NOT APPLY TO ANY PARTY FOR: (I) ANY CLAIMS OF INFRINGEMENT OF ANY PATENT, COPYRIGHT, OR TRADEMARK; (II) LIABILITY FOR DEATH OR BODILY INJURY; (III) PROVEN THEFT; OR (IV) PROVEN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

\_\_\_\_\_ Yardi \_\_\_\_\_ Client

Confidential

Preparation Date: December 7, 2012 1:34 PM

4. The Agreement is hereby modified by deleting in its entirety any and all language referencing consequential or indirect damages, if any, and adding the following:

**Consequential Damages Waiver:**

IN NO EVENT SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE TO ANOTHER PARTY FOR ANY INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOST DATA OR INFORMATION, ANY COSTS OR EXPENSES FOR THE PROCUREMENT OF SUBSTITUTE SERVICES, OR ANY OTHER INDIRECT DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE EVEN IF THE POSSIBILITY THEREOF MAY BE KNOWN IN ADVANCE TO ONE OR MORE PARTIES.

5. The Agreement is hereby modified by deleting in its entirety any and all language, if any, referencing the inspection of material received by Iron Mountain from Depositor to be stored with Iron Mountain under the Agreement ("Deposit Material") and adding the following:

IMIPM will conduct a visual deposit inspection upon receipt of any Deposit Material and associated Exhibit B and provide notice by electronic mail, telephone, or regular mail to the Depositor and Beneficiary of all Deposit Material that is accepted and deposited into the escrow account under this Agreement. If IMIPM determines that the Deposit Material does not match the description provided by Depositor represented in Exhibit B hereto, Iron Mountain will provide Depositor with notice by electronic mail, telephone, or regular mail of such discrepancies. IMIPM will work directly with the Depositor to resolve any such discrepancies prior to accepting Deposit Material. OTHER THAN IMIPM'S INSPECTION OF THE DEPOSIT MATERIALS, AS DESCRIBED ABOVE, IMIPM SHALL HAVE NO OBLIGATION REGARDING THE ACCURACY, COMPLETENESS, FUNCTIONALITY, PERFORMANCE OR NON-PERFORMANCE OF THE DEPOSIT MATERIALS.

6. The Agreement is hereby modified by deleting in its entirety any and all language, if any, referencing Iron Mountain providing status reports or updates of escrow account activity and replacing it with the following:

IMIPM shall provide to Depositor and Beneficiary access to the Iron Mountain real-time, on-line portal to view data and documentation relative to this Agreement. Upon request, IMIPM will provide ad hoc status reports to Depositor and Beneficiary.

7. In the event that any terms and conditions contained herein are in conflict with the terms and conditions set forth in the Agreement, the terms and conditions set forth in this Amendment shall be deemed to be the controlling terms and conditions.

8. All other terms and conditions of the Agreement remain unchanged and are in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. The last date noted on the signature blocks of this Amendment shall be the Amendment Effective Date.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment or caused this Amendment to be duly executed on its behalf as of the Amendment Effective Date.

"DEPOSITOR"	IRON MOUNTAIN INTELLECTUAL PROPERTY MANAGEMENT, INC.
Individual Signing: [print name]	Individual Signing: [print name]
Signature:	Signature:
Title:	Title:
Signing Date:	Signing Date:



**SCHEDULE H**  
**Monthly Payment Schedule**

Attached separately paginated.

\_\_\_\_\_ Yardi \_\_\_\_\_ Client  
**Confidential**

Preparation Date: December 7, 2012 1:34 PM

Cashflows for 72 month contract period

Year Month	Warranty Period (6 Mos)						Year 1 (6 Mos)					
	1	2	3	4	5	6	7	8	9	10	11	12
Software	\$ 54,932.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Services (est. milestones)	\$ 51,857.50	\$ 31,114.50	\$ 31,114.50	\$ 31,114.50	\$ 31,114.50	\$ 62,229.00						
Total Monthly	\$ 106,789.58	\$ 48,846.58	\$ 48,846.58	\$ 48,846.58	\$ 48,846.58	\$ 79,961.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Total Period	\$ 351,022.50						\$					

Year Month	Year 2 (12 mos)						Year 3 (12 mos)						Year 4 (12 mos)											
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Software	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	
Services (est. milestones)	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 13,299.06	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	\$ 14,628.97	
Total Monthly	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 26,598.12	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	\$ 29,257.94	
Total Period	\$ 319,177.72												\$ 351,022.50											

Year Month	Year 5 (12 mos)						Year 6 (12 mos)					
	37	38	39	40	41	42	43	44	45	46	47	48
Software	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Services (est. milestones)	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Total Monthly	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16
Total Period	\$ 425,570.00											

Year Month	Year 7 (12 mos)						Year 8 (12 mos)					
	49	50	51	52	53	54	55	56	57	58	59	60
Software	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Services (est. milestones)	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Total Monthly	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16
Total Period	\$ 425,570.00											

Year Month	Year 9 (12 mos)						Year 10 (12 mos)					
	61	62	63	64	65	66	67	68	69	70	71	72
Software	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Services (est. milestones)	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Total Monthly	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16
Total Period	\$ 425,570.00											

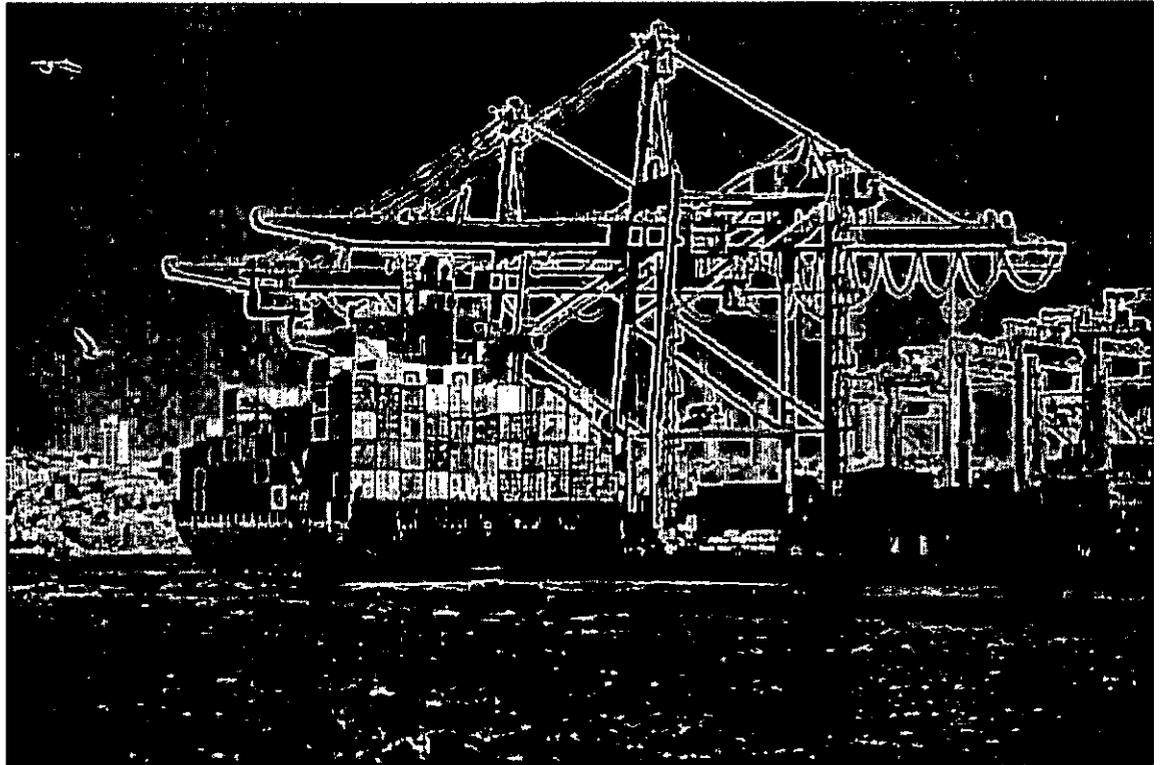
Year Month	Year 11 (12 mos)						Year 12 (12 mos)					
	73	74	75	76	77	78	79	80	81	82	83	84
Software	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Services (est. milestones)	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08	\$ 17,732.08
Total Monthly	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16	\$ 35,464.16
Total Period	\$ 425,570.00											

Yardi Client

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Preparation Date: December 7, 2012 1:34 PM

PROPOSAL



**THE PORT AUTHORITY**  
OF NY & NJ

**Port Authority of New York and New Jersey**  
**Response to Selection Process Document – Amendment 1**  
**Real Estate Lease Administration and Database System**

April 12, 2012



**Yardi Systems, Inc.**  
430 South Fairview Avenue  
Santa Barbara, California 93117  
[www.yardi.com](http://www.yardi.com)



United States  
 Canada  
 Europe  
 Asia  
 Australia

Ex. 1

**A. Letter of Transmittal**

April 10, 2012

James Summerville  
 Pr. Contracts Specialist, Procurement Department  
 Port Authority of New York and New Jersey  
 2 Montgomery Street, 3<sup>rd</sup> Floor  
 Jersey City, NJ 07302

Dear Mr. Summerville:

Yardi is pleased to respond to the Port Authority of New York and New Jersey's (PANYNJ) Selection Process Document for a Real Estate Lease Administration and Database System. With 30 years of experience developing, implementing, and supporting industry-leading property management software, Yardi is uniquely positioned to assist PANYNJ in integrating operations, improving reporting, and eliminating redundancies with a user-friendly, comprehensive solution. Yardi understands PANYNJ's project scope and goals, and we are committed to performing the work within your target timeframe. Benefits of our experience and the Yardi Voyager™ platform include:

- A modern browser-based solution that is easy to use, intuitive, and secure
- An integrated, real-time general ledger with simultaneous cash and accrual accounting, instant drilldown throughout, and comprehensive financial reporting capabilities
- Improved organizational visibility with powerful, customizable analytic tools
- Configurable workflows to match your existing policies and processes

We are submitting this response as a single entity and propose no subcontractors. We are a certified Minority Business Enterprise (MBE) with experience developing, implementing, and supporting leading property and financial management software. We have responded in good faith to the Selection Process Document based on our current understanding of your software and business requirements. We reserve the right to negotiate all terms and conditions of any eventual agreement between PANYNJ and Yardi, if we are selected as the preferred vendor. This document is confidential and proprietary information and must be handled accordingly. The following is the requested information about our company:

Dedicated Contacts	Company Information
Spencer Stewart, RPA, CPM National Account Executive, Government Services Group (800) 866-1144 ext. 1139 (office) (805) 453-9403 (mobile) Spencer.Stewart@yardi.com	Yardi Systems, Inc. 430 South Fairview Avenue Santa Barbara, California 93117 Website: www.yardi.com FEIN:
Dan Campbell Vice President, Government Services (800) 866-1144 ext. 1430 (office) (949) 632-8227 (mobile) Daniel.Campbell@yardi.com	Please refer to Appendix 5 Certificate of Incorporation in the supplemental document in this proposal package for a copy of our articles of incorporation.



United States  
Canada  
Europe  
Asia  
Australia

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**Authorized Signers**

Dan Campbell, Vice President, Government Services  
Daniel.Campbell@yardi.com  
Brad Setser, Vice President, Marketing  
Brad.Setser@yardi.com  
Terri Downen, Senior Vice President, Sales  
Terri.Downen@yardi.com

---

**Company Officers**

Anant Yardi, President (Owner)  
Santa Barbara, California  
Gordon Morrell, Executive Vice President & Chief  
Operating Officer (Secretary)  
Santa Barbara, California

---

Thank you for the opportunity to respond. We look forward to continuing to work with you during this selection process.

Sincerely,

Gordon Morrell  
Executive Vice President and Chief Operating Officer

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This document contains confidential and proprietary information and is intended solely for the entity and specific purpose for which it was made available and not for any other purpose. No part of this document may be disclosed to any third party without the prior written authorization of Yardi Systems, Inc.

## B. Executive Summary

The Port Authority of New York and New Jersey (PANYNJ) is looking to integrate, streamline, and modernize its real estate lease administration, property management, maintenance, and accounting procedures. Our proposal presents a comprehensive, proven, and user-friendly solution for PANYNJ's goals.

### B.1 Strategic Fit

Our proposed solution for PANYNJ includes products from our Yardi Voyager™ suite, an intuitive, browser-based solution that integrates all aspects of property and financial management in a single platform. Yardi Voyager™ will provide real-time reporting and support enhanced performance for PANYNJ's daily property and financial management activities. Based on our current understanding of PANYNJ's needs, we recommend the following Yardi Voyager™ products and Yardi services for PANYNJ. Please see Section F. Technical Response for detailed descriptions.

Solution	Included Functionality
<b>Software Products</b>	
<b>Yardi Voyager Financial Management for Government</b>	<p>The included functional areas can be used selectively if desired:</p> <ul style="list-style-type: none"> <li>▪ General ledger</li> <li>▪ Accounts payable</li> <li>▪ Accounts receivable</li> <li>▪ GAAP and GASB reporting</li> <li>▪ Property management</li> <li>▪ Lease management</li> <li>▪ Configurable user dashboards</li> <li>▪ Workflow engine</li> <li>▪ Correspondence management</li> </ul>
<b>Yardi Maintenance Management</b>	<ul style="list-style-type: none"> <li>▪ Work orders and service requests</li> <li>▪ Property maintenance scheduling and accounting</li> </ul>
<b>Yardi Orion for SharePoint</b>	Document management
<b>Yardi New York</b>	Tracking and reporting on New York DHCR and safety regulations
<b>Services</b>	
<b>Implementation Services</b>	<ul style="list-style-type: none"> <li>▪ Project management</li> <li>▪ Fit/gap analysis</li> <li>▪ Data conversion</li> <li>▪ User training</li> <li>▪ System setup and installation</li> </ul>
<b>Interface Setup</b>	Software interfaces to SAP, MapGuide or ESRI GIS, and potentially other third-party applications
<b>Yardi SaaS Hosting</b>	<ul style="list-style-type: none"> <li>▪ Software and server setup</li> <li>▪ Servers, network hardware, and software managed by Yardi at one of our established domestic data centers</li> <li>▪ Round-the-clock connectivity monitoring and support</li> <li>▪ Disaster recovery and data backups</li> </ul>
<b>Yardi SaaS Expanded Services Package</b>	<ul style="list-style-type: none"> <li>▪ Additional database and Web share for testing</li> <li>▪ Additional file storage</li> <li>▪ Enhanced control procedures, monitoring, and logging</li> </ul>
<b>Optional Add-on Product</b>	
<b>Yardi Executive Dashboard</b>	Configurable Yardi Voyager application dashboards

Upon delivery of this software solution, Yardi's key objective will be to help maximize PANYNJ's efficiency and productivity. Our comprehensive support services span implementation, data conversion, training, technical support, software maintenance, custom programming, and more. We can tailor our client services to PANYNJ's needs to help you realize returns on your technology investments.

## **B.2 Why Yardi?**

The following factors distinguish Yardi as an exceptional choice for PANYNJ:

### *Our Company*

- *Government Experience.* With an expansive public client base, Yardi Government Services Group provides leading-edge technology and services across a number of governmental disciplines. Yardi has 2,400 employees devoted solely to real estate financial and property management software.
- *Stability and Predictability.* We have been supplying real estate software as a privately held corporation for 30 years and have enjoyed continuous growth since inception. This stability allows us to enhance our clients' technology investments with new and improved products and services constantly.
- *Industry Commitment and Vision.* We dedicate more than 70% of our staff resources to software development and support. We participate in national and local trade associations and support government entities of all sizes.
- *Minority Business Enterprise.* We are a certified MBE organization.

### *Our Products*

- *End-to-End Solution.* The core Yardi Voyager™ accounting, property management, and reporting system expands seamlessly with built-in add-ons for portals, inventory control, fixed assets, payment processing, and more.
- *Transparency and Cost Control.* Yardi Voyager™ creates transparency into accounting and lease management processes, providing better control over operating costs and increasing performance.
- *Flexibility and Customizability.* Our software is designed to serve sophisticated organizations with diverse portfolios. Extensive configuration and customization options accommodate your unique requirements and policies.

### *Our Services*

- *Professional Services.* To ensure a smooth implementation for PANYNJ, Yardi Government Services can tailor its service offering to your needs and timelines.
- *Market-Focused Team Support.* We will assign PANYNJ implementation and support teams specializing in Yardi Voyager™ for government agencies.

## **B.3 The Yardi Solution**

Our proposed solution will allow PANYNJ to integrate, standardize, and modernize its real estate operations and to work with a proven expert vendor with a strong development roadmap for your market. We look forward to applying our experience gained from supporting outstanding government agencies across the United States such as New York MTA, New York City Department of Parks and Recreation, Port Authority of San Antonio, and many others to help you achieve your business goals.

**C. Agreement on Terms of Discussion**

On the following page we provide our completed and signed Agreement on Terms of Discussion form as provided in Attachment A of the Selection Process Document. Yardi acknowledges terms and conditions presented in the Selection Process Document as a basis for the eventual transactional agreement. Yardi expects that its license agreement relevant to the eventual transaction (once its basic elements are determined via discussions between the parties) will be incorporated into the eventual agreement. Yardi has undertaken and successfully closed similarly structured agreements with many government agencies. As a result, we are confident that we can develop a mutually acceptable agreement for this business partnership; we will work earnestly toward that end if we are selected as the preferred vendor. Yardi anticipates that any conflicts, inconsistencies, and differences between the agreement to be used as a basis for the transactional agreement and Yardi agreement will be resolved by negotiations between the parties' respective representatives.

**ATTACHMENT A: AGREEMENT ON TERMS OF DISCUSSION**

The Port Authority's receipt or discussion of any information (including information contained in any response, presentation, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Policy and Procedure adopted by the Port Authority's Board of Commissioners on November 20, 2008, which may be found on the Port Authority website at: <http://www.panynj.gov/corporate-information/pdf/Freedom-of-Information-Policy-and-Procedure.pdf>, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Respondent as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a response.

Yardi Systems, Inc.

\_\_\_\_\_  
(Company)



\_\_\_\_\_  
(Signature)

Executive VP & Chief Operating Officer

\_\_\_\_\_  
(Title)

April 9, 2012

\_\_\_\_\_  
(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.  
DO NOT RETYPE.**

**D. Certifications With Respect to the Contractor's Integrity Provisions**

Yardi makes the certifications included in the Contractor's Integrity Provisions included as Section 37 in Attachment B of the Selection Process Document. Please see Section A. Letter of Transmittal in this proposal for the requested signature.

**E. Documentation of Respondent Prerequisites**

On the following pages we respond to the prerequisites outlined in Sections 10, 11, and Attachment F of the Selection Process Document. Please see Section F.2.A Data Elements Table for our completed Data Elements Table provided as Attachment D to the Selection Process Document.

**E.1 Respondent Prerequisites**

In the table below we respond to the prerequisites listed in Section 10 of the Selection Process Document.

PANYNJ Prerequisite	Yardi Response
<p><b>The Respondent's proposed System shall be in use by at least one other governmental entity in the United States. Examples of governmental entities include the State of New York, the State of New Jersey, New York City, and the U.S. General Services Administration (GSA), as well as other State, Local, and Public municipalities and agencies.</b></p> <p><b>The Respondent shall have provided, installed, and continue to maintain, its proposed System to such governmental entity. The contract between the Respondent and the other governmental entity must be active (i.e. not expired).</b></p>	<p>We currently support more than 2,800 Yardi Voyager clients. These include approximately 230 government agencies of all sizes, including major federal and state agencies as well as county and city governments and departments across the United States and Canada. The following are examples of governmental entities in the United States which are currently using our software. Please see Section E.3 Reference Information for Respondent Prerequisites for client references.</p> <ul style="list-style-type: none"> <li>▪ Alaska Permanent Fund Corporation</li> <li>▪ Army Corps of Engineers</li> <li>▪ Baltimore County</li> <li>▪ Buffalo Metropolitan Housing Authority</li> <li>▪ Buffalo Urban Renewal Agency</li> <li>▪ City of Beverly Hills</li> <li>▪ City of Eureka</li> <li>▪ City of Oceanside, Property Management</li> <li>▪ City of Sacramento</li> <li>▪ City of Salem</li> <li>▪ City of San Francisco</li> <li>▪ City of San Marcos</li> <li>▪ City of Santa Monica Airport</li> <li>▪ Contra Costa County Airports</li> <li>▪ Department of Commerce</li> <li>▪ Fuller Theological Seminary</li> <li>▪ Harvard University</li> <li>▪ New York City Department of Parks and Recreation</li> <li>▪ New York Metropolitan Transportation Authority</li> <li>▪ Port Authority of San Antonio</li> <li>▪ Seattle Chinatown International District Preservation and Development Authority</li> <li>▪ Stanford University</li> <li>▪ State of Hawaii Department of Land and Natural Resources</li> <li>▪ State of Idaho Department of Land</li> </ul>

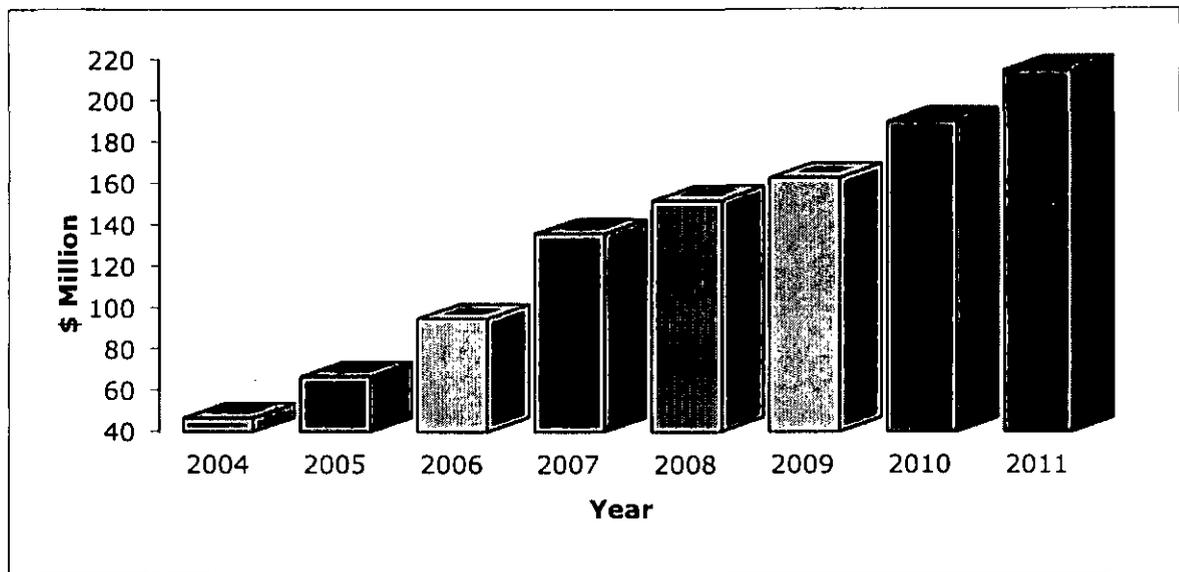
PANYNJ Prerequisite	Yardi Response
<p><b>The Respondent shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its response as a business actually engaged in providing real estate property systems to commercial and industrial accounts under contract.</b></p> <p><b>The Respondent may fulfill this prerequisite if it can demonstrate that the person(s) or entity(ies) owning and controlling the Respondent have had a cumulative total of at least the same number of years of experience in the provision of similar services immediately prior to the submission of its response or has owned and controlled other entities that meet the requirement;</b></p>	<p>Yardi has been developing and supporting property and financial management software continuously since 1982. Today approximately 55% of the residential and 45% of the commercial real estate market in North America use Yardi products. Our senior management team averages more than ten years with our company, and most of our employees come to Yardi with years of experience in real estate, finance, IT, and/or related sectors.</p>
<p><b>The Respondent shall demonstrate that it has earned gross revenues of at least \$5 Million for the last calendar year or fiscal year for the type of services described herein.</b></p>	<p>During our most recent fiscal year, Yardi earned gross revenues of \$215 million for the types of services described in this document. Please see Section E. 2 Financial Information for details.</p>

**E.2 Financial Information**

In the table below we respond to the prerequisites listed in Section 10 of the Selection Process Document.

- 1. Certified financial statements, including applicable notes, reflecting the Respondent's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent year or the Respondent's most recent fiscal year. Where the certified financial statements in (1) above are not available, then reviewed statements from an independent accountant setting forth the aforementioned information shall be provided.**

Yardi offers the security of a conventionally managed firm with a long history of revenue and market share growth. We are in excellent financial standing and are not pursuing any business undertakings that might affect our ability to implement or support the proposed solution. The following chart details our revenue growth over the last eight years.



**Figure 1: Yardi Revenue Growth, 2004-2011**

Because our company is privately held, our financial statements are confidential information. We will be happy to provide financial statements to a Certified Public Accountant (CPA) with PANYNJ upon execution of a suitable non-disclosure agreement (NDA).

- A statement of work which the Respondent has on hand, including any work on which a bid and/or response has been submitted, containing a description of the work, the annual dollar value, the location by City and State, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Respondent's work on these jobs.**

We currently implement Yardi Voyager™ solutions for 300 to 400 clients each year. Below we provide a list of organizations which are currently in the process of implementing, upgrading, or adding to their existing Yardi Voyager™ solutions in the United States. Because of the size of our client base as well as confidentiality agreements with our clients, it would be impractical to provide a complete list of projects. However, our clients listed in Section E.3 Reference Information for Respondent Prerequisites can speak to our consistent service performance, and we will be happy to provide additional references upon request.

<b>Current Ongoing Yardi Voyager Implementation and Upgrade Projects (April 2012)</b>	
40 North Industries, LLC	Mark IV Construction Co., Inc.
939 Coast Management Association	MBK Senior Living Communities
A.J. Dvoskin & Associates	McKinley, Inc.
AAMCI (American Apartment Mng Co Inc)	Mendocino County
ACCO Management	Mesilla Valley Public Housing Authority

**Current Ongoing Yardi Voyager Implementation and Upgrade Projects (April 2012)**

ACM, LLC	Metes & Bounds Management Co.
Aegean Management	Metropolitan Management Group
Alaska Housing Finance Corp	Mid Columbia Housing Authority
Alexander Wolf & Company Inc.	Mid-America Asset Management, Inc.
All County Management, LLC	MiLa Properties
Amalgamated Housing Corp	Milestone Properties, Inc.
AmCap, Inc.	Miller-Valentine Operations, Inc.
American Home Property Management	Monday Properties
American Life Inc.	Morningside Management, LLC
Anker Management Corp.	MRN LTD/East 4th Street
Army Corp of Engineers	NAI Horizon - AZ
Associa	New Horizons Management
Associated Management, Limited	Next Chapter Properties LLC
Avalon Partners, LLC	Norry Management Corp.
Balke Brown Transwestern	North Little Rock Housing Authority
Beck Property Company	Northcap Commercial, LLC
Better Housing Coalition	Northgate Associates
Black Equities	Northside Hospital
Bldg Management Co Inc	O & S Holdings, LLC
Bowman Properties	Oddo Development Co. Inc.
Buffalo Municipal Housing Authority	Omega Healthcare Investors, Inc.
CALFOX, Inc.	Ovation Realty Management, LLC.
Calibrate Property Management, LLC	Overton Moore Properties
Carter Validus REIT	Pantheon Properties
CB Richard Ellis	Paradigm Companies
CEI Realty, Inc	Paramount Assets, LLC
Centaur Properties	Paso Robles Housing Authority
Chateau Retirement Communities LLC	PathStone Corporation
City Scene Management Company	Pearson Realty Services, Inc.
Cloverleaf Apartments, LLC c/o Forest Properties	Pelican Management, Inc
Colonial Properties Services, Inc.	Peninsula Housing Authority
Commercial Investment Properties	PGM Properties LLC
Community Connections	Plaza 400 Owners Corp
Coney Realty	PMC Property Group, Inc.

**Current Ongoing Yardi Voyager Implementation and Upgrade Projects (April 2012)**

Continental Divide / Del Norte	Portland Habilitation Center, Inc.
Corigin Real Estate Group	Premier Asset Management Inc.
Courvoisier Association LLC	Presbyterian Senior Living
Cousins Properties	Pritzker Realty Group
Crown Properties, Inc.	R E 3, LLC, Real Estate Services
CTRI Management Services Inc.	R.O.I. Properties, Inc.
Dart Properties	R7 Real Estate, Inc.
DelShah Capital, LLC	Rain, Inc.
Denley Investment & Mgmt. Co.	Rapad Real Estate Management LLC
Dial Senior Management	Re/Max Homeowners Ltd.
Diamond Properties Management Company, LLC	Realty Property Mgt.
Eagle Commercial	Redstone Commercial Group
Earle W. Kazis Associates, Inc.	Resource Real Estate Management, Inc.
EBS (Energy Billing Systems) - Yardi	Richards & Robbins
Echelon Management	Riverside Resources Property Mgmt Corp
Embree Capital Markets Group, Inc.	Rockledge 1215-1221 Summit Avenue, LLC
Emcee Management	S Development Company
Engvest	S.C. Management
Eretz Group	Sandberg Management
Fairway Investments, LLC	SAR Asset Management, Inc.
Father Joe's Villages	Schneider & Schneider, Inc.
FF Properties LP - Portfolio Accounting	SCI Real Estate Investments, LLC
Fidelis Realty Partners	Scripps Health
Finsilver/Friedman Management Corporation	Sealy & Company, L.L.C.
First Capital Residential, LLC	Seattle Housing Authority
Fisher Property Mgmt, LLC	Seefried Industrial Properties, Inc.
Forestar (USA) Real Estate Group Inc.	Sentio Healthcare Properties, Inc.
Franklin Pacific, LLC	Server Farm Realty, Inc.
Gaston, Wilkerson Mangement Group	Shamco Management
Gemini Networks, Inc.	Skid Row Housing
General Electric Capital Corporation	Socorro County Housing Authority
GlassRatner Mgt. & Realty Advisors	Solow Realty & Development Co.
Golub & Company LLC	Southwest Housing Solutions
Gro Development Corp.	Stafford Properties, Inc.

**Current Ongoing Yardi Voyager Implementation and Upgrade Projects (April 2012)**

Halexis Management	Stagg Group
Halle Enterprises	State Street Bank & Trust Company
Hampshire Properties, LLC	Stephens Property Mgmt.
Harbor Bay Realty	Stone Street Properties
Harsch Investment Corp. & Park Tower Apts, LLC	Stout & Teague Management Corp.
Harvard RE Serv RLS Project	Suburban Investment Group
Harvest Properties	Summit Associates
Heartland Human Care Services	Terrebonne Council on Aging
Heatherwood Communities	The Campbell Group, LLC
Heritage Realty LLC	The Cornfeld Group
Herman & Kittle	The Covington Company
H-Hovnanian Industries	The Fiore Companies
Horizon Development Co., Inc.	The Helm Management Company
Housing Authority of St Louis County	Housing Authority of the City of Atlanta, Georgia
Housing Authority of the City of Los Angeles	Jack Parker Corporation
Housing Authority of the City of Spartanburg, SC.	The Matrix Group
Housing Authority of the County of San Mateo	The Muller Company
Howe Investment	The Pointe at Kilpatrick
HP Village Partners, LP	The R.D. Merrill Company
Hunt Ventures	The Richdale Group
I. Domnitch Property Management	The Wallick Companies
IDI	The Woda Group, LLC
Industrial Income Trust, Inc.	Titan Development and Investments
InfoTECH Advisors	Titanium Asset Management
InSite Real Estate Development	Transwestern
InSite Realty Advisors	Trilogy Real Estate Group
J A Peterson Enterprises	Trinity Management Services
JFK Family, LLLP	Trinity Management, LLC
JP Management	Truth or Consequences Housing Authority
Jupiter Communities, LLC	Tucson Community Services
Kalamazoo Community Mental Health & Substance Abuse Services	Umbrella Properties, Inc.
Kane Realty Corporation	University Management, Inc.
Karlin Real Estate	Univest Management Group

<b>Current Ongoing Yardi Voyager Implementation and Upgrade Projects (April 2012)</b>	
Kayne Anderson Real Estate LLC	Urban Land Interests, LLC
KG Investment Management, LLC	US Global Real Estate LLC
Kitsap County Consolidated HA	USPG Portfolio Two, LLC
Koss Real Estate	Viking Management Ltd.
Landmark Dividend, LLC	Vineland Construction Co.
Landura Companies	Walton Street Capital
Langley Investment Properties	WESCAP Real Estate Services, Inc.
Larken Associates	Western Management Corp.
Lawton Realty Group	Westplan Investors
Liberty Place Property Management, LLC	Wilder Balter Partners
Lilac Management Group, Inc	Wimmer Brothers Realty, Inc.
Littleton Housing Authority	Windermere Real Estate/Realty Brokerage Inc.
M & N Management	Wiseman Management
Macon Housing Authority	WRDC
Madison Park Financial Corporation	Yale University- Lease Administration
Magar & Company	Yavapai Prescott Indian Tribe
Majestic Investments	Zara Realty Holding Corp.

- 3. The name and address of the Respondent's banking institution, chief banking representative handling the Respondent's account, the Respondent's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes), the Respondent's Dun and Bradstreet number, if any, the name of any credit service to which the Respondent furnished information and the number, if any, assigned by such service to the Respondent's account**

*Banking Institution and Representative*

The following are our main banking contact and banking institution:

Jason Wilson, Vice President  
 Rabobank, N.A.  
 33 East Carrillo Street  
 Santa Barbara, CA 93101

*FEIN and D&B Numbers*

Our Federal Employer Identification Number is 77-0049051. Our Dun & Bradstreet Number is

*Credit Service*

This is not applicable.

**E.3 Reference Information for Respondent Prerequisites**

The following is reference information in the format in Attachment F to the Selection Process Document as requested. We will be pleased to furnish additional information and references upon request.

1. **The Respondent’s proposed System shall be in use by at least one other governmental entity in the United States. Examples of governmental entities include the State of New York, the State of New Jersey, New York City, and the U.S. General Services Administration (GSA), as well as other State, Local, and Public municipalities and agencies. The Respondent shall have provided and installed, and continues to maintain, its proposed System to such governmental entity. The contract between the Respondent and the other governmental entity must be active (i.e. not expired).**

The proposed solution is currently in use by approximately 230 government entities in the United States. Please see Section E.1 Respondent Prerequisites for a non-comprehensive list of current clients.

2. **The Respondent shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its response as a business actually engaged in providing real estate property systems to commercial and industrial accounts under contract. The Respondent may fulfill this prerequisite if it can demonstrate that the person(s) or entity(ies) owning and controlling the Respondent have had a cumulative total of at least the same number of years of experience in the provision of similar services immediately prior to the submission of its response or has owned and controlled other entities that meet the requirement. The Respondent shall demonstrate that it has earned gross revenues of at least \$5 Million for the last calendar year or fiscal year for the type of services described herein.**

Yardi has been providing property management software for thirty years and supporting government agencies for more than two decades. As described in Section E.2 Financial Information, our company is solely focused on the real estate industry, and our products and services for this market make up 100% of our revenue, or \$215 million in 2011.

The following is one reference from a government agency client which has been using our products and services for years. We provide additional references on the next page.

#	Govt. Entity Name	Description of Services Provided	Contract Commenced	Contract Terminated	Contact Information
1	Metropolitan Transportation Authority of the State of New York	Provide System: Y Configure and Install System: Y Subscription Service: Y License-Based System: N Ongoing Maintenance: Y	02/1998	Ongoing	Name: Yonah Bergstrom, Associate Director Email: ybergstr@mtahq.org Phone: (212) 878-7391

**3. Respondents are encouraged to provide at least five additional references from firms (public or private) that use their systems.**

The following are additional government agencies which are currently using our products and services.

#	Client	Description of Services Provided	Contract Commenced	Contract Terminated	Contact Information
1	<b>New York City Department of Parks and Recreation</b>	Provide System: Y Configure and Install System: Y Subscription Service: N License-Based System: Y Ongoing Maintenance: Y	08/1995	Ongoing	Name: David Cerron, Senior Director Email: David.Cerron@parks.nyc.gov Phone: (212) 360-3427
2	<b>Buffalo Urban Renewal Agency<sup>1</sup></b>	Provide System: Y Configure and Install System: Y Subscription Service: N License-Based System: Y Ongoing Maintenance: Y	03/2012	Ongoing	Name: Greta Mobley, Director of Administration Email: mmobley@ch.ci.buffalo.ny.us Phone: (716) 851-5654
3	<b>City of Santa Monica Airports</b>	Provide System: Y Configure and Install System: Y Subscription Service: Y License-Based System: N Ongoing Maintenance: Y	09/1990	Ongoing	Name: Deena Mecham, Property Manager Email: Deena.Mecham@smgov.net Phone: (310) 434-2630 ext. 5435
4	<b>Contra Costa County Airports</b>	Provide System: Y Configure and Install System: Y Subscription Service: N License-Based System: Y Ongoing Maintenance: Y	07/2007	Ongoing	Name: Julie Conti, Senior Real Property Technical Assistant Email: jcont@airport.cccounty.us Phone: (925) 646-5731
5	<b>Port Authority of San Antonio, Texas</b>	Provide System: Y Configure and Install System: Y Subscription Service: Y License-Based System: N Ongoing Maintenance: Y	05/2011	Ongoing	Name: Dan Ferris, CFO Email: dan.ferris@portsanantonio.us Phone: (210) 439-4907

<sup>1</sup> Buffalo Urban Renewal Agency has selected Yardi. The implementation project is currently in the planning stages.

**F. Response**

This section includes our cost response, technical response, and implementation plan as well as information about our maintenance and training services.

**F.1 Cost Response**

The following pages include our completed price forms provided as Attachment G in the Selection Process Document. Yardi offers both client-hosted (software license-based) and Yardi-hosted (subscription-based) deployment options. Please see Section F.2.B Description of Pricing Options for a comparison of features and benefits. Based on the information provided to date, a subscription-based solution will offer PANYNJ the greatest convenience and cost-effectiveness.

**F.1.A Price Forms for Software License-Based System**

<b>A. Implementation</b>			
<b>Category</b>	<b>Number of hours (if applicable) and price</b>	<b>Government Contract-based pricing, Yes or No?</b>	<b>Identification of Government Contract (Name, Number, Term)</b>
<b>Cost of Software</b>	\$609,000	Yes	GSA# GS-35F-0731P
<b>Installation on Authority Equipment</b>	# of hours: 32 Price: \$6,400		
<b>Data Requirements, Collection, and Entry</b>	# of hours: 750 Price: \$150,000		
<b>Configuration to Authority Requirements</b>	# of hours: 40 Price: \$8,000		
<b>Acceptance Test</b>	# of hours: 80 Price: \$16,000		
<b>Training (Development and Delivery)</b>	\$1,600 per class X 8 classes = \$12,800		
<b>One-year warranty period (ongoing maintenance)</b>	# of hours: Not applicable Price: Included		
<b>Escrow during warranty period</b>	Included		
<b>Total Implementation</b>	<b>\$802,200</b>		

**B. Ongoing Maintenance for Five Years**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$12,719	x	12	\$152,628	Yes	GSA# GS-35F-0731P
Two	\$12,973	x	12	\$155,676		
Three	\$13,233	x	12	\$158,796		
Four	\$13,498	x	12	\$161,976		
Five	\$13,768	x	12	\$165,216		
Escrow for five years	Included	x	60	Included		
<b>Total</b>				<b>\$794,292</b>		

**C. First Option Period: Ongoing Maintenance**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$14,181	x	12	\$170,172		GSA# GS-35F-0731P
Two	\$14,606	x	12	\$175,272		
Three	\$15,044	x	12	\$180,528		
Escrow for 3 years	Included	x	36	Included		
<b>Total</b>				<b>\$525,972</b>		

**D. Second Option Period: Ongoing Maintenance**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$15,495	x	12	\$185,940		GSA# GS-35F-0731P Note: Consumer Price Index (CPI) adjustment will apply to all amounts beginning in Year Two.
Two	\$15,960	x	12	\$191,520		
Three	\$16,439	x	12	\$197,728		
Escrow for 3 years	Included	x	36	Included		
<b>Total</b>				<b>\$574,728</b>		

<b>E. Hourly Rates for Enhancements (Base Period, Five Years)</b>			
	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the base term (5 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$187.40	X 100	\$18,740
Program Manager	\$210.82	X 100	\$21,082
Trainer	\$187.40	X 100	\$18,740
Jr Programmer	\$187.40	X 100	\$18,740
Sr. Programmer	\$234.24	X 100	\$23,424
<b>Total—5 years</b>			<b>\$100,726</b>

<b>F. Hourly Rates for Enhancements (First Option Period, Three Years)</b>			
	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$187.40	X 60	\$11,244
Program Manager	\$210.82	X 60	\$12,649
Trainer	\$187.40	X 60	\$11,244
Jr Programmer	\$187.40	X 60	\$11,244
Sr. Programmer	\$234.24	X 60	\$14,054
<b>Total—3 years</b>			<b>\$60,435</b>

<b>G. Hourly Rates for Enhancements (Second Option Period, Three Years)</b>			
	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$187.40	X 60	\$11,244
Program Manager	\$210.82	X 60	\$12,649
Trainer	\$187.40	X 60	\$11,244
Jr Programmer	\$187.40	X 60	\$11,244
Sr. Programmer	\$234.24	X 60	\$14,054
<b>Total—3 years</b>			<b>\$60,435</b>

<b>H. TOTAL ESTIMATED COST</b> (Sum of Sections A through G)	<b>\$2,918,789.20</b>
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**I. Assumptions: Software License-Based System**

<b>Implementation</b>	<p>This estimate was made using the following assumptions:</p> <ul style="list-style-type: none"> <li>▪ PANYNJ has designated an Executive Sponsor (Champion).</li> <li>▪ PANYNJ will designate a dedicated Project Manager.</li> <li>▪ PANYNJ will provide data in a format approved by Yardi (e.g., Microsoft Excel, delimited, XML).</li> <li>▪ The PANYNJ Project Manager (or designee) will participate in project meetings as required by PANYNJ.</li> <li>▪ Changes to scope will affect timelines and cost and must be agreed by both PANYNJ and Yardi.</li> <li>▪ This is a good-faith, not-to-exceed estimate. Additional time required over this estimate will be separately negotiated with PANYNJ.</li> </ul>
<b>Ongoing Maintenance, Base Period</b>	<ul style="list-style-type: none"> <li>▪ All pricing shown here is based on our discounted GSA pricing schedule.</li> </ul>
<b>Ongoing Maintenance, 1<sup>st</sup> Option Period</b>	<ul style="list-style-type: none"> <li>▪ This quote includes software modules and services based on the information provided in the Selection Process Document. Additional fees may apply for additional requirements identified during subsequent discovery with PANYNJ.</li> </ul>
<b>Ongoing Maintenance, 2<sup>nd</sup> Option Period</b>	<ul style="list-style-type: none"> <li>▪ Annual software license fees include support hours by phone, e-mail, or fax as well as maintenance updates to the licensed software.</li> <li>▪ Annual fees for subsequent years are based on the current 124 users and the product mix referenced in this proposal. Subsequent years' annual fee is subject to change upon anniversary date of the software agreement. Such change shall be based on the nationally published Consumer Price Index.</li> </ul>
<b>Hourly Rates for Enhancements, Base Period</b>	<p>The enhancement hours shown here correspond with the hour estimates in PANYNJ's Selection Process Document. Should PANYNJ require custom enhancements, we will provide a quote for each project after detailed discovery.</p>
<b>Hourly Rates for Enhancements, 1<sup>st</sup> Option Period</b>	
<b>Hourly Rates for Enhancements, 2<sup>nd</sup> Option Period</b>	
<b>Miscellaneous</b>	<p>This is not applicable.</p>

**F.1.B Price Forms for Subscription Service**

<b>A. Implementation</b>			
<b>Category</b>	<b>Number of hours (if applicable) and price</b>	<b>Government Contract-based pricing, Yes or No?</b>	<b>Identification of Government Contract (Name, Number, Term)</b>
<b>Cost of Software Subscription</b>	<u>\$333,950</u> year 1 <u>\$296,750</u> year 2 <u>\$296,750</u> year 3 <u>\$296,750</u> year 4 <u>\$296,750</u> year 5 Included one-yr warranty	Yes	GSA# GS-35F-0731P
<b>Data Requirements, Collection, and Entry</b>	# of hours: <u>750</u> Price: <u>\$150,000</u>		
<b>Configuration to Authority Requirements</b>	# of hours: <u>40</u> Price: <u>\$8,000</u>		
<b>Acceptance Test</b>	# of hours: <u>80</u> Price: <u>\$16,000</u>		
<b>Training (Development and Delivery)</b>	<u>\$1,600</u> per class X <u>8</u> classes = <u>\$12,800</u>		
<b>Escrow</b>	Included year 1 Included year 2 Included year 3 Included year 4 Included year 5 Included one-yr warranty		
<b>Total Implementation</b>	<b><u>\$1,707,750</u></b>		

<b>B. First Option Period</b>			
<b>Category</b>	<b>Number of hours (if applicable) and price</b>	<b>Government Contract-based pricing, Yes or No?</b>	<b>Identification of Government Contract (Name, Number, Term)</b>
<b>Cost of Software Subscription</b>	<u>\$296,750</u> year 1 <u>\$296,750</u> year 2 <u>\$296,750</u> year 3	Yes	GSA# GS-35F-0731P
<b>Escrow</b>	Included year 1 Included year 2 Included year 3		
<b>Total</b>	<b><u>\$890,250</u></b>		

<b>C. Second Option Period</b>			
<b>Category</b>	<b>Number of hours (if applicable) and price</b>	<b>Government Contract-based pricing, Yes or No?</b>	<b>Identification of Government Contract (Name, Number, Term)</b>
<b>Cost of Software Subscription</b>	\$296,750 year 1 \$296,750 year 2 \$296,750 year 3	Yes	GSA# GS-35F-0731P
<b>Escrow</b>	Included year 1 Included year 2 Included year 3		
<b>Total</b>	<b>\$890,250</b>		

<b>D. Hourly Rates for Enhancements (Base Period, Five Years)</b>			
	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the base term (5 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
<b>Software Engineer</b>	\$187.40	X 100	\$18,740
<b>Program Manager</b>	\$210.82	X 100	\$21,082
<b>Trainer</b>	\$187.40	X 100	\$18,740
<b>Jr. Programmer</b>	\$187.40	X 100	\$18,740
<b>Sr. Programmer</b>	\$234.24	X 100	\$23,424
<b>Total—5 years</b>			<b>\$100,726</b>

<b>E. Hourly Rates for Enhancements (First Option Period, Three Years)</b>			
	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
<b>Software Engineer</b>	\$187.40	X 60	\$11,244
<b>Program Manager</b>	\$210.82	X 60	\$12,649
<b>Trainer</b>	\$187.40	X 60	\$11,244
<b>Jr. Programmer</b>	\$187.40	X 60	\$11,244
<b>Sr. Programmer</b>	\$234.24	X 60	\$14,054
<b>Total—3 years</b>			<b>\$60,435</b>

**F. Hourly Rates for Enhancements (Second Option Period, Three Years)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
<b>Software Engineer</b>	\$187.40	X 60	\$11,244
<b>Program Manager</b>	\$210.82	X 60	\$12,649
<b>Trainer</b>	\$187.40	X 60	\$11,244
<b>Jr Programmer</b>	\$187.40	X 60	\$11,244
<b>Sr. Programmer</b>	\$234.24	X 60	\$14,054
<b>Total—3 years</b>			<b>\$60,435</b>

<b>G. TOTAL ESTIMATED COST</b> (Sum of Sections A through F)	<b>\$3,709,846</b>
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**Assumptions: Subscription-Based System**

<b>Implementation</b>	<p>This estimate was made using the following assumptions:</p> <ul style="list-style-type: none"> <li>▪ PANYNJ has designated an Executive Sponsor (Champion).</li> <li>▪ PANYNJ will designate a dedicated Project Manager.</li> <li>▪ PANYNJ will provide data in a format approved by Yardi (e.g., Microsoft Excel, delimited, XML).</li> <li>▪ The PANYNJ Project Manager (or designee) will participate in project meetings as required by PANYNJ.</li> <li>▪ Changes to scope will affect timelines and cost and must be agreed by both PANYNJ and Yardi.</li> <li>▪ This is a good-faith, not-to-exceed estimate. Additional time required over this estimate will be separately negotiated with PANYNJ.</li> </ul>
<b>Hourly Rates for Enhancements, Base Period</b>	<ul style="list-style-type: none"> <li>▪ The enhancement hours shown here correspond with the hour estimates in PANYNJ's Selection Process Document. Should PANYNJ require custom enhancements, we will provide a quote for each project after detailed discovery.</li> </ul>
<b>Hourly Rates for Enhancements, 1st Option Period</b>	
<b>Hourly Rates for Enhancements, 2nd Option Period</b>	
<b>Miscellaneous</b>	<ul style="list-style-type: none"> <li>▪ All pricing shown here is based on our discounted GSA pricing schedule.</li> <li>▪ This quote includes software modules and services based on the information provided in the Selection Process Document. Additional fees may apply for additional requirements identified during subsequent discovery with PANYNJ.</li> <li>▪ Annual software subscription fees include application and data hosting; data backup, disaster recovery, and 24-hour connectivity support; support hours by phone, e-mail, or fax; as well as maintenance updates to the licensed software.</li> <li>▪ Annual fees for subsequent years are based on the current 124 users and the product mix referenced in this proposal. Subsequent years' annual fee is subject to change upon anniversary date of the software agreement. Such change shall be based on the nationally published Consumer Price Index.</li> </ul>

## **F.2 Technical Response**

The proposed Yardi Voyager™ solution offers an exceptional fit for PANYNJ's functional requirements outlined in the Selection Process Document. To comply with the page limitation set by PANYNJ, we provide a high-level overview of the available functionality in identified key areas on the following pages. We will be pleased to demonstrate our solution for the PANYNJ team and discuss specific functional areas in more detail.

### **Property Management**

#### *Overview*

Yardi Voyager™ offers a full commercial management and accounting feature set as well as a wide variety of underlying functionality. This comprehensiveness and flexibility make Yardi Voyager the market-leading property management system for office, retail, and industrial real estate. The following are some of the solution's key features:

- Full, real-time general ledger with accounts receivable and accounts payable
- Up to 14 sets of books for cash, accrual, depreciation, and more
- Role-based dashboards for property management, leasing, accounting, and more
- Property calendars with export to Microsoft Outlook
- Task and approval engine for delegating tasks to colleagues, managing and documenting approvals, and more
- Critical date tracking
- Notification engine
- Lease management with easy-to-use amendments
- Lease option management with encumbrance tracking
- Easy, comprehensive CAM recovery setup
- CAM reconciliation with instant calculation and pre-written (custom) tenant letters
- Easy-to-use straight-line rent adjustments
- Space measurements with up to 16 "buckets" (property, building, floor, etc.) and historical tracking
- Maintenance management for work orders, purchase orders, and vendor tracking
- Report scheduling
- Full drilldown capability from high-level reporting to detailed transaction reports
- Stacking diagrams by property
- Quick analytic reporting with modifiable filters
- More than 400 modifiable reports
- Ad hoc reporting tool for one-off custom reports
- Custom tables
- User-definable fields and labels
- Full audit trail

#### *Advanced Retail Functionality*

Yardi Voyager™ simplifies tracking track sales and charge percentage rents. Tenant retail parameters allow you to define sales types, reporting and billing frequencies, and breakpoints, calculating natural breakpoints automatically. The overage function

automatically calculates and creates your percentage rent charges. Retail analytics provide up-to-the minute reporting on sales, comparing MTD, YTD, and MAT and calculating tenant occupancy costs.

#### *Streamlined Recoveries*

Yardi Voyager automates the recoveries process. Clients can configure numerators and denominators, base years, caps, gross-ups, and management fees for the terms defined in the lease. The system eliminates the daunting job of reconciling all variables for each tenant to account accurately for each tenant's payables. The billing results are invoiced to the tenant in an easy-to-understand format that helps reduce billing disputes and increase cash flow.

#### *Role-Based Dashboards*

Role-specific dashboards support real-time reporting on every aspect of your business, including leasing, compliance, operations, financials, and portfolio performance.

### **Lease Administration**

The Yardi Voyager™ lease administration system forms the backbone of the commercial billing process, accommodating indexation, complex recoveries, retail overages, non-currency leases, and more. The automated leasing workflow allows lease administrators to set up the terms of complicated retail leases and amendments; reviewers can compare the abstract to the actual legal documentation before activation. Lease modifications such as expansion, contraction, relocation, holdover, or renewals are stored with the lease details for easy drilldown and reference.

Yardi Voyager™ tracks complex commercial lease negotiations and rolls the information collected during the negotiation stage seamlessly into the new lease record. You can define customers with lease relationships at multiple properties, allowing for centralized billing and reporting. Each lease can include multiple components (e.g., units billed at different rates) and flat, percentage-based, and sales-based rent components. The system tracks expense recoveries, retail overage charges, lease clauses, options, and modification amendments centrally for each lease. The lease workflow can be configured flexibly for different properties, including authorized reviewers and approvers, required documentation, and more.

### **Archive Data Storage**

Built on the powerful Microsoft SQL Server database management system, Yardi Voyager™ can retain historical data for as long as PANYNJ desires. Most of our clients keep records online for a number of years for reference and comparative reporting purposes; if desired, you can restrict specific users' access to historical data. Subject to hard drive space availability, the system does not limit the amount of data retained in the live database. Archiving, if desired, is easily managed using tools available in the database management system.

### **Marketing, Negotiating, and Pricing Strategy**

The proposed system can manage documents and automate lease correspondence across the entire tenant lifecycle, from negotiations and lease execution to billing,

reconciliations, and final account settlement. PANYNJ can generate brochures, store property-specific price sheets and strategy documents, track prospect contacts, and more. If desired, the optional Yardi Commercial CRM module can offer advanced marketing and sales functionality with campaign management, lease pipeline tracking and reporting, direct Microsoft Outlook integration for contacts and messages, and more.

### **Work Flow**

Our powerful feature set for critical dates and notifications allows users to flag any date or event in the system and create a reminder any number of days before a date. Yardi Voyager™ alerts users with reminders on their program dashboard and/or by e-mail when tasks are due. This feature includes options for scheduling any sort of event dates with required resources, follow-up, task escalation, and more.

Yardi Voyager™ has an integrated notification and workflow functionality that automatically generates e-mail messages for database records that meet certain criteria (e.g., an upcoming solicitation might trigger an e-mail or letter to the vendor). Notifications can trigger tasks, send e-mails, or deliver reports and letters.

To manage recurring projects with consistent patterns, you can create custom workflows and link them to Yardi Voyager™ screens (e.g., tenants, vendors, and properties). You can attach workflows to records manually or configure the system to attach a workflow automatically to a record when certain conditions are met. You can apply security parameters to allow users to access only authorized workflows.

### **Report Generation**

#### *Overview*

Yardi Voyager™ comes with more than 400 standard reports for property and financial management, from rent rolls to GAAP- and GASB-compliant financial statements and fast, user-friendly analytics. The system supports a large number of configurable data attributes to facilitate sorting data based on meaningful characteristics for your organization, such as manager, property type, location, and more. The system can support the reporting requirements outlined in PANYNJ's RFI and Selection Process Document with standard reports and data attributes. On-screen reports support drilldown to underlying transactions and details as well as reporting on historical date ranges. System security will allow PANYNJ to define each type of user's access to specific reports and sets of data; for example, an on-site property manager may only have access to financial information for that particular property. You can export reports to Microsoft Excel and PDF. Furthermore, standard report packages can run automatically on a schedule you define and be delivered by e-mail, in print, or via the Yardi Voyager™ dashboard to a predefined list of users.

#### *Custom Reporting*

Users can modify standard reports or create ad hoc reports with a drag-and-drop interface for operational data, and Yardi also offers custom programming services for reporting. Yardi Voyager™ supports a wide range of report writing tools to suit different users' skills and requirements, including Crystal Reports, Microsoft SQL Server scripting, Microsoft Excel, built-in custom analytic tools, and more.

### Commercial Analytics

From owner reports to internal exception and management reporting, our suite of analytics increases the performance of individual and consolidated properties and identifies outliers in a large portfolio. Commercial analytics provide real-time key performance indicators for lease management, recovery reconciliation, performance statistics, financials, and many more.

### Document Storage and Tracking

You can attach unlimited files to each record in the Yardi Voyager™ database, such as leases, tenants, vendors, and properties. Configurable workflows can require users to upload documents (e.g., insurance certificates) at specific steps. Additionally, Yardi Orion™ for SharePoint® ties the property management system in with Microsoft SharePoint for comprehensive document management functionality, including detailed property-level security, document check-in and check-out, version control, and full-text search.

### Decision-Making on Acquisitions, Dispositions, and Other Transactions

Yardi Voyager™ supports management tasks and decision-making across the real estate lifecycle, including asset acquisition, maintenance, accounting, and disposition. The business intelligence tools described under the Report Generation heading in this section will allow PANYNJ to monitor the performance of each asset in real-time. If PANYNJ desires additional functionality, we will be pleased to demonstrate our add-on modules for the acquisition, management, and disposition of fixed assets (e.g., vehicles and property furnishings) as well as property valuation, modeling, and forecasting.

### F.2.A Data Elements Table

On the following pages we respond to the prerequisites identified in Attachment D Data Elements Table in the Selection Process Document. The requested fields and functionality exist in the proposed solution out of the box. While some field labels may differ from PANYNJ's explicit nomenclature, field label names can be personalized easily during implementation.

Data Elements Table					
Data Element	Authority Comments/ Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
<b>Port Authority Hierarchy</b>					
<b>Company</b>	Port Authority, PATH, etc.	Yes			
<b>Department</b>	Aviation, Port Commerce, etc.	Yes			
<b>Dept. Division/Unit</b>	Real Estate Services, Aviation Properties and Commercial Development, etc.	Yes			
<b>Facility</b>	JFK Airport, PA Bus Terminal, etc.	Yes			
<b>Building</b>	Building	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Land (Parcel)</b>	Land (Property)	Yes			
<b>Unit</b>	Rental unit	Yes			
<b>Object</b>	Rental object	Yes			
<b>Facility</b>					
<b>Business Entity</b>	Example of Facilities: PA Bus Terminal, LaGuardia Airport, etc.	Yes			
<b>Street</b>		Yes			
<b>City</b>	For entry of facility address	Yes			
<b>Postal Code</b>	For entry of facility address	Yes			
<b>Region</b>	For entry of facility address	Yes			
<b>Country</b>	For entry of facility address	Yes			
<b>Department</b>	For entry of facility address	Yes			
<b>Profit Center</b>	Business entities should be assigned to a profit center.	Yes			
<b>Building</b>					
<b>Building #</b>	Each Building should have a unique, identifying #	Yes			
<b>Building Name</b>	Examples: PABT – South Terminal, One World Trade Center	Yes			
<b>Aviation Terminal</b>	Airline Terminal name/no. User defined selection menu. Super-user configurable	Yes			
<b>Building usage</b>	Hanger, Terminal, etc.	Yes			
<b>Multiple Tenancy</b>	Checkbox	Yes			
<b>Building Rating Scale</b>	Building rating ex. A, B, C	Yes			
<b>Building Description</b>		Yes			
<b>Building Height</b>		Yes			
<b>Building Stories</b>		Yes			
<b>Street</b>	For entry of building address.	Yes			
<b>City</b>	For entry of building address.	Yes			
<b>Postal Code</b>	For entry of building address.	Yes			
<b>Region</b>	For entry of building address.	Yes			
<b>Country</b>	For entry of building address.	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Year Built</b>	Year Building was built	Yes			
<b>Vacancy Year</b>	Year building became vacant / mothballed	Yes			
<b>Environmental Baseline &amp; Condition Survey</b>		Yes			
<b>Number of floors</b>		Yes			
<b>Block</b>		Yes			
<b>Lot</b>		Yes			
<b>Latitude</b>		Yes			
<b>Longitude</b>		Yes			
<b>Map Grid ID</b>	For use with Engineering Dept. Data Base	Yes			
<b>Building Value</b>		Yes			
<b>Assessed Value</b>	= Market Value	Yes			
<b>Yr Assessed Value</b>	= Value Date	Yes			
<b>Heat Source Type</b>	Natural Gas, Oil, etc.	Yes			
<b>Electric Feed Capacity</b>	Create custom field	Yes			
<b>Water Meter</b>	Create custom field	Yes			
<b>Electric Meter</b>	Create custom field	Yes			
<b>O&amp;M/Utility Costs</b>	Create custom field	Yes			
<b>Predominant Construction Type, Non-combustible, fire resistive</b>	Configurable, User defined drop down menu	Yes			
<b>Basement</b>	Yes/No	Yes			
<b>Fire Protection, H2O supply type, Public H2O, Fire pumps with connection to tanks, reservoir</b>	Configurable, User defined, drop down menu	Yes			
<b>Alarm System Provided</b>	Yes/No	Yes			
<b>% of building protected with automatic sprinklers</b>	User, type text	Yes			
<b>Risk Control Plan</b>	Yes/No	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Property (Parcel)</b>					
<b>Land Id</b>	Unique identifier for land.	Yes			
<b>Name of Property</b>		Yes			
<b>Property Usage</b>	User defined selection menu. Super user configurable.	Yes			
<b>Property Description</b>		Yes			
<b>Street</b>	For entry of property address.	Yes			
<b>City</b>	For entry of property address.	Yes			
<b>Postal Code</b>	For entry of property address.	Yes			
<b>Region</b>	For entry of property address.	Yes			
<b>Country</b>	For entry of property address.	Yes			
<b>Block</b>		Yes			
<b>Lot</b>		Yes			
<b>Latitude</b>		Yes			
<b>Longitude</b>		Yes			
<b>Boundary East</b>		Yes			
<b>Boundary West</b>		Yes			
<b>Boundary North</b>		Yes			
<b>Boundary South</b>		Yes			
<b>Rental Units</b>					
<b>Rental Object</b>	Rental Objects to be used for rented or rentable units of space, rights, etc.	Yes			
<b>Name of Rental Unit</b>		Yes			
<b>Usage Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Unit Description</b>		Yes			
<b>Street</b>	For entry of unit address.	Yes			
<b>City</b>	For entry of unit address.	Yes			
<b>Postal Code</b>	For entry of unit address.	Yes			
<b>Region</b>	For entry of unit address.	Yes			
<b>Country</b>	For entry of unit address.	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Floor</b>	For entry of unit floor	Yes			
<b>To Floor</b>	For entry of the to floor for the unit	Yes			
<b>Rental Unit Type</b>	Displays rental unit type. User defined selection menu. Super user configurable.	Yes			
<b>Rental Unit Measurement</b>	Measurement Type i.e. Square Feet, Acre, Linear Feet.	Yes			
<b>Rental Unit Measurement Amount</b>	Example: Square Feet, Acre, Linear Feet, etc.	Yes			
<b>Measurement From</b>	Start date of the validity period of the measurement	Yes			
<b>Measurement To</b>	End date of the validity period of the measurement.	Yes			
<b>Valid From</b>	Start date of the validity period of the rental unit's assignment to the agreement.	Yes			
<b>Valid To</b>	End date of the validity period of the rental unit's assignment to the agreement	Yes			
<b>Name</b>	Rental Unit Name	Yes			
<b>Rental Unit Valid From</b>	beginning validity	Yes			
<b>Rental Unit Valid To</b>	ending validity	Yes			
<b>Business Partners (Organization, External, Internal)</b>					
<b>BP #</b>	System generated. Unique identifier.	Yes			
<b>BP Name</b>	Full legal name of business partner	Yes			
<b>Doing Business As (DBA)</b>	Master Tenant, Doing Business As (DBA)	Yes			
<b>BP Contact</b>	User defined selection menu. Super user configurable.	Yes			
<b>BP Contact Job/Position Title</b>	Professional Title	Yes			
<b>Business Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Street</b>		Yes			
<b>City</b>		Yes			
<b>Postal Code</b>		Yes			
<b>Region</b>		Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Country</b>		Yes			
<b>Phone Number</b>		Yes			
<b>Mobile Phone Number</b>		Yes			
<b>Fax Number</b>		Yes			
<b>E-mail</b>		Yes			
<b>Company URL</b>		Yes			
<b>Business Partner (BP) Role</b>	Displays the role of the assigned BP.	Yes			
<b>Business Partner ID</b>	Displays the BP # (Unique identifier; system generated).	Yes			
<b>Start of Relationship</b>	Start date of the validity period of the BP's assignment to the agreement.	Yes			
<b>End of Relationship</b>	End date of the validity period of the BP's assignment to the agreement.	Yes			
<b>Customer #</b>		Yes			
<b>M/WBE and DBE</b>					
<b>M/WBE, DBE Name</b>		Yes			
<b>M/WBE, DBE Certification Date</b>		Yes			
<b>M/WBE DBE De- Certification Date</b>		Yes			
<b>Tenant Information</b>					
<b>Federal Tax ID</b>		Yes			
<b>Tax Class</b>		Yes			
<b>Taxpayer Type</b>	Type of Entity- Corporation, Partnership, LLP, LLC, Individual - User defined selection menu. Super user configurable.	Yes			
<b>State of Incorporation</b>	User defined selection menu. Super user configurable.	Yes			
<b>Legal Agreements</b>					
<b>Agreement Type</b>	Base Agreement Type. User defined selection menu. Super user configurable.	Yes			
<b>Company Code</b>	Unique identifiers for internal, PA Companies, e.g. Port Authority, PATH, WTC, Newark Legal Center	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Agreement Number</b>	Base Agreement Number	Yes			
<b>Commencement Date</b>	Initial term start date.	Yes			
<b>End of Term</b>	End of base agreement term.	Yes			
<b>Rent Commencement</b>	Start of rent	Yes			
<b>Expiration</b>	System-calculated based on end of base agreement term and all executed renewal options.	Yes			
<b>Profit Center</b>	SAP Financial	Yes			
<b>Business Area</b>		Yes			
<b>Date of Beneficial Occupancy</b>		Yes			
<b>Move Out (Vacancy) Date</b>		Yes			
<b>Related Agreement/ Overlease</b>	Allows entry of an assignment or other relationship to a related agreement/overlease. User defined selection menu. Super user configurable.	Yes			
<b>Former Agreement Nos.</b>	Used to provide history of different agreement numbers, if any.	Yes			
<b>Industry</b>	Allows additional classification of the business partner by industry.	Yes			
<b>Currency</b>	Defaults to USD.	Yes			
<b>Variable Rent</b>	Enables the assignment of sales-based financials on the agreement	Yes			
<b>Current Status</b>	Displays current status of the agreement, i.e. active, locked, terminated, etc.	Yes			
<b>User Status</b>	Allows users to assign custom statuses to the agreement. All currently active user status are shown here.	Yes			
<b>Business Code</b>	For assignment of business code. Same value list as Business Type	Yes			
<b>Certificate of Insurance (COI)</b>	User defined selection menu. Super user configurable.	Yes			
<b>Approved by Risk Mgt</b>	Field which allows entry of date COI was approved by Risk Management	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>COI Identifier</b>	Field which allows entry of COI identifier provided by Risk Management.	Yes			
<b>Non-Financial Agreement</b>	Checkbox provided to indicate if the agreement is financially irrelevant.	Yes			
<b>Construction Obligation</b>		Yes			
<b>Rent Abatement(s)</b>		Yes			
<b>Capital Investment Amount</b>		Yes			
<b>Description of Capital Investment</b>		Yes			
<b>Capital Investment Responsibility</b>	For assignment of capital investment responsibility- PA or tenant.	Yes			
<b>Capital Investment Date</b>	Date the capital investment improvements were completed	Yes			
<b>Term</b>					
<b>Commencement Date</b>	Effective date of the agreement	Yes			
<b>End of Initial Term</b>	Expiration date of initial agreement term	Yes			
<b>Rent Commencement</b>	Date from which the cash flow (rent schedule) is generated. This controls when financial postings begin. Rename from 'Cash Flow From'	Yes			
<b>First Posting From</b>	If a date is entered here, then the system marks cash flow records as "already posted" if they have a calculation-to date before this date.	Yes			
<b>Expiration</b>	System-determined calculated agreement end date. Calculation is based on end of base agreement term and all executed renewal options.	Yes			
<b>Term in Months</b>	Length of initial agreement term in months.	Yes			
<b>Latest End (Options)</b>	Displays the end date of the agreement if all available renewal options were to be executed.	Yes			
<b>Current Status</b>	Current status of the agreement; i.e. In Initial Term, In First Option, Concluded, Terminated	Yes			
<b>End of 1<sup>st</sup> Fixed Term</b>	Displays the date entered in the End of Initial Term field.	Yes			

<b>Data Elements Table</b>					
<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Next Agreement End Date</b>	Displays the next agreement end date.	Yes			
<b>Renewal Options</b>					
<b>Option/ Automatic</b>	Specifies if the option term needs approval or should be automatically renewed.	Yes			
<b>Sequence</b>	If more than one renewal/extension term exists this field specifies their sequence.	Yes			
<b>Number of Renewals</b>	Specifies the number of renewal options associated with the renewal rule. For example, this can be used to set up an automatic renewal rule that renews monthly for 12 months.	Yes			
<b>Renewal Years</b>	# of years the option/extension should renew	Yes			
<b>Renewal Months</b>	# of months the option/extension should renew	Yes			
<b>Renewal Days</b>	# of days the option/extension should renew	Yes			
<b>Renewal Rounding</b>	Determines whether the option/extension renewal calculation should have no rounding, or round to the 1 <sup>st</sup> or last day of the month.	Yes			
<b>Notification Years</b>	# of years in advance notification is required to execute a specific option/extension	Yes			
<b>Notification Months</b>	# of months in advance notification is required to execute a specific option/extension	Yes			
<b>Notification Weeks</b>	# of weeks in advance notification is required to execute a specific option/extension	Yes			
<b>Notification Days</b>	# of days in advance notification is required to execute a specific option/extension	Yes			
<b>Notification Rounding</b>	Determines whether the notification calculation should have no rounding, or round to the 1st or last day of the month.	Yes			
<b>Termination Notice</b>					
<b>Entry Date</b>	Date notice of early termination is received/entered in the system.	Yes			
<b>Notice Per</b>	Date notice of early termination is effective.	Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Reason For Notice</b>	= Agreement Termination Reason. Reason for early termination.	Yes			
<b>Extraordinary Reason</b>	Automatically filled by reason for notice.	Yes			
<b>Notice Given By</b>	Automatically filled by reason for notice. Shows whether notice was given by the landlord or tenant.	Yes			
<b>Utilities</b>					
<b>Electric Meter Number</b>	Text field in order to allow assignment of multiple numbers	Yes			
<b>Electric Meter Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Date Installed</b>	Multiple dates can be stored in conjunction with multiple EM #s	Yes			
<b>Water Meter Number</b>	Text field in order to allow assignment of multiple numbers	Yes			
<b>Water Meter Type</b>	List field- values TBD	Yes			
<b>Date Installed</b>	Multiple dates can be stored in conjunction with multiple WM #s	Yes			
<b>Chilled Water</b>	Checkbox indicator	Yes			
<b>Domestic Cold Water</b>	Checkbox indicator	Yes			
<b>Domestic Hot Water</b>	Checkbox indicator	Yes			
<b>HVAC</b>	Checkbox indicator	Yes			
<b>Trash Removal</b>	Checkbox indicator	Yes			
<b>Electric Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Cleaning Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Gas Meter Number</b>	Text field in order to allow assignment of multiple numbers	Yes			
<b>Gas Meter Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Condenser Water</b>	All water	Yes			
<b>Electric</b>		Yes			
<b>Extermination</b>		Yes			
<b>Natural Gas</b>		Yes			
<b>Other</b>		Yes			

**Data Elements Table**

<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Documents</b>					
<b>Document Type</b>	Text field for type of document existing or requested under the base agreement number	Yes			
<b>Required Approval</b>	User defined selection menu. Super user configurable.	Yes			
<b>Assigned Attorney</b>	User defined selection menu. Super user configurable.	Yes			
<b>Notes</b>	For entry of free-text notes.	Yes			
<b>System Date Entered</b>	System-generated when the line is entered and saved.	Yes			
<b>Entered By</b>	System-generated when the line is entered and saved. The value is the user's logon ID.	Yes			
<b>Document Status</b>					
<b>Action/Date Type</b>	Specifies the type of action/date (step in lease workflow).	Yes			
<b>Document Name</b>	Automatically filled when the relevant document is selected	Yes			
<b>Date</b>	For entry of date status was reached.	Yes			
<b>Notes</b>	For entry of free-text notes.	Yes			
<b>Entered By</b>	System-generated when the line is entered and saved. The value is the user's logon ID.	Yes			
<b>Clauses, Provisions, Options</b>					
<b>Clause, Provision and Option (CPO)</b>	Specifies the type of clause, provision or option. User defined selection menu. Super user configurable.	Yes			
<b>Page</b>	Field available for specifying the location of the relevant language within the legal document.	Yes			
<b>Paragraph</b>	Field available for specifying the location of the relevant language within the legal document.	Yes			
<b>Notes</b>	For entry of free-text notes	Yes			
<b>Entered By</b>	System-generated when the line is entered and saved. The value here is the user's logon ID.	Yes			

<b>Data Elements Table</b>					
<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Investment Tracking</b>					
<b>PA Investment Completion Date</b>		Yes			
<b>Tenant Investment Completion Date</b>		Yes			
<b>Tenant Required Investment Amount</b>	In USD	Yes			
<b>PA Investment Amount</b>	In USD	Yes			
<b>Doing Business As (DBA)</b>		Yes			
<b>Concessions Classifications</b>					
<b>Business Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Concession Type</b>	User defined selection menu. Super user configurable.	Yes			
<b>Reports</b>					
<b>Facility</b>	List of all facilities by Company, Department, Division, etc.	Yes			
<b>Property (Parcel)</b>	List of all property by Company, Department, Division, Facility, etc.	Yes			
<b>Building</b>	List of all buildings by Company, Department, Division, Facility, etc.	Yes			
<b>Rental Units</b>	List of all Rental Units by Company, Department, Division, Facility, etc.	Yes			
<b>Occupancy / Vacancy</b>	Rental Units, Buildings, Land, etc.	Yes			
<b>Agreement Status</b>	Based on agreement document workflow. Provides current status / stage of pending document.	Yes			
<b>Agreement Expiration</b>	Agreement expiration by Company, Department, Facility, Building, Land, Tenant, Agreement Number, Agreement Type, Person Responsible, etc.	Yes			
<b>Tenant Directory</b>	Tenant Contact list by Organization/Company, Facility, Building, Land, Terminal, Contact Type, etc.	Yes			

<b>Data Elements Table</b>					
<b>Data Element</b>	<b>Authority Comments/ Clarification</b>	<b>Compliant with NO customization</b>	<b>Compliant with SOME customization</b>	<b>Cannot comply</b>	<b>Comments</b>
<b>Tenant Portfolio</b>	Company, Department, Facility, Division, Building, Land, Tenant Name, Rental Units, Revenues (separated by billable items), etc.	Yes			

### **F.2.B Description of Pricing Options**

Yardi offers two pricing options for the Yardi Voyager™ platform: Yardi-hosted (subscription-based or SaaS) and client-hosted (software license-based). We list the system requirements associated with each option in Appendix 4 Hardware and Software Requirements in the supplemental document in this proposal package. Based on our understanding of PANYNJ's needs, we recommend a Yardi-hosted deployment, which 90% of our new clients now choose. In this scenario, we will provide application software, database management software, server hardware, networking, and technical support staff via one of our secure, high-availability data centers. Our clients find that this option helps them reduce expenses in hardware, third-party software licenses, and staff resources.

Yardi has been providing SaaS services since 2001 and now supports more than 2,600 hosted clients, who receive 24/7/365 connectivity support from our dedicated SaaS team. Deloitte & Touche formally audits our SaaS data centers annually in conjunction with our SSAE 16 (formerly SAS 70 Type II) certification, and we employ third-party security experts for annual penetration testing. Please see Appendix 4 Hardware and Software Requirements in the supplemental document in this proposal package for the servers and/or workstations each solution requires. Appendix 3.1 Recommended Products: Yardi SaaS Select™ provides additional information about our hosting services, including support, security, performance, and disaster recovery. The table below outlines the benefits and drawbacks of each hosting option broadly.

<b>Comparison of Yardi Voyager Deployment Options</b>		
<b>Criterion</b>	<b>Yardi-Hosted (SaaS)</b>	<b>Self-Hosted</b>
<b>Short-Term Investments</b>	Lower	Higher
<b>Long-Term Investments</b>	Higher	Lower
<b>Internal Resource Costs</b>	Lower	Higher
<b>Cost of Hardware</b>	Included	Not included
<b>Database Software Licensing</b>	Included	Not included
<b>Database Management</b>	Included	Not included
<b>Yardi Voyager Management</b>	Included	Not included
<b>Microsoft Office Licensing</b>	Included	Not included
<b>Implementation Time</b>	Faster startup	Slower startup
<b>Market Trend</b>	90% of clients choose SaaS	10% of clients choose self-hosting

<b>Comparison of Yardi Voyager Deployment Options</b>		
<b>Criterion</b>	<b>Yardi-Hosted (SaaS)</b>	<b>Self-Hosted</b>
<b>Troubleshooting</b>	Yardi is solely responsible	Client and Yardi share responsibility
<b>Hardware Upgrades</b>	At least every three years on average	Every five years on average
<b>Client Control</b>	Limited to extensive control (depending on options selected)	Total control

### **F.2.C System Implementation Plan**

On the following pages we provide a sample project plan showing the anticipated major tasks, milestones, and timeframes for implementing Yardi Voyager™ for PANYNJ, based on our experience with organizations of comparable size and complexity. This plan is intentionally broad; we will provide a detailed custom plan after further discussion and discovery of your specific needs, priorities, and staff availability. Please see Section F.4 Management Plan for narrative information regarding our implementation, data conversion, and training approach.



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

Yardi SaaS-Hosted Client Setup	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
Hardware Setup	14			07/10/2012	07/25/2012
Review System Requirements				07/10/2012	07/10/2012
Web Server				07/10/2012	07/10/2012
Install Microsoft IIS				07/11/2012	07/11/2012
Set up/Define Anonymous User (Domain User)				07/11/2012	07/11/2012
Database Server				07/11/2012	07/11/2012
Install Microsoft SQL Server				07/12/2012	07/12/2012
File Server				07/12/2012	07/12/2012
Conductor/Report Server				07/12/2012	07/12/2012
Workstations				07/12/2012	07/12/2012
Set Microsoft Internet Explorer Recommended Settings				07/13/2012	07/16/2012
Report Printers				07/13/2012	07/16/2012
Check Printers				07/13/2012	07/16/2012
Software Installation				07/13/2012	07/16/2012
Update yCRM with Version, SPs, and PIs				07/13/2012	07/16/2012
Download Software Installables from Yardi FTP Upgrade Site				07/13/2012	07/16/2012
Voyager (on Web Server)				07/17/2012	07/19/2012
Install Base Voyager Version				07/17/2012	07/19/2012
Install Plug-Ins				07/17/2012	07/19/2012
Voyager Workstation Admin (Admin Computers)				07/17/2012	07/19/2012
Conductor (Report Server)				07/17/2012	07/19/2012
Task Runner				07/17/2012	07/19/2012
yCheck (Workstations for Check Writing)				07/17/2012	07/19/2012
Adobe Reader (All Workstations)				07/17/2012	07/19/2012
Database Creation				07/17/2012	07/19/2012
Live/Production Database (DB Server)				07/20/2012	07/25/2012
Provide Client with Blank Database				07/20/2012	07/25/2012
Restore Blank Database				07/20/2012	07/25/2012
Update Database Schema				07/20/2012	07/25/2012
Load License File				07/20/2012	07/25/2012
Run Yardi Security Package (SQL 2005) and Security Script (ALL)				07/20/2012	07/25/2012
Set Default Path				07/20/2012	07/25/2012
Set up User IDs				07/20/2012	07/25/2012
Test/Demo Database (on Database Server; Yardi Responsible if SaaS, Client if Self-Hosted)				07/20/2012	07/25/2012
Provide Client with Demo Database				07/20/2012	07/25/2012
Restore Demo Database				07/20/2012	07/25/2012
Update Database Schema				07/20/2012	07/25/2012
Load License File				07/20/2012	07/25/2012
Run Yardi Security Package (SQL 2005) and Security Script (ALL)				07/20/2012	07/25/2012
Set Default Path				07/20/2012	07/25/2012
Set up User IDs				07/20/2012	07/25/2012



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

Task	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
<b>Detailed Business Review and System Overview</b>	2	2 Days		07/26/2012	07/30/2012
Verify Version				07/26/2012	07/30/2012
Perform Basic System Overview				07/26/2012	07/30/2012
Review Major Screens and Processes				07/26/2012	07/30/2012
Highlight Help				07/26/2012	07/30/2012
Review Client Central				07/26/2012	07/30/2012
Yardi Voyager Resources				07/26/2012	07/30/2012
My Yardi (Get Password)				07/26/2012	07/30/2012
Product Manuals				07/26/2012	07/30/2012
Release Notes				07/26/2012	07/30/2012
Guide to SaaS Services (if SaaS-Hosted)				07/26/2012	07/30/2012
Tutorials				07/26/2012	07/30/2012
Review Backup/Restore Procedures and yFX (if SaaS-Hosted)				07/26/2012	07/30/2012
Perform Detailed Business Review				07/26/2012	07/30/2012
Document Discussion/Results				07/26/2012	07/30/2012
<b>Custom Reports (Optional) (Ongoing)</b>	40			08/07/2012	10/09/2012
Review Existing Yardi Reports				08/07/2012	10/09/2012
Determine Custom Reporting Requirements (if Applicable)				08/07/2012	10/09/2012
Create Report Specifications				08/07/2012	10/09/2012
Provide Estimates/Specification to Client for Custom Reports				08/07/2012	10/09/2012
Approve Estimates/Specifications of Custom Reports				08/07/2012	10/09/2012
Development of Custom Reports				08/07/2012	10/09/2012
Testing of Custom Reports and Issue Resolution				08/07/2012	10/09/2012
<b>Chart of Accounts Development</b>	14			08/10/2012	09/10/2012
Provide Chart of Accounts (COA) Sample				08/10/2012	09/10/2012
Provide Chart of Accounts (COA) Import Template				08/10/2012	09/10/2012
Discuss COA, General Ledger Segments, and Charge Code Relationship				08/10/2012	09/10/2012
Develop/Modify COA				08/10/2012	09/10/2012
* Develop General Ledger Segments				08/10/2012	09/10/2012
Review COA				08/10/2012	09/10/2012
* Review General Ledger Segments				08/10/2012	09/10/2012
Approve COA				08/10/2012	09/10/2012
* Approve General Ledger Segments				08/10/2012	09/10/2012
Prepare COA for Import				08/10/2012	09/10/2012
Define General Ledger Account Mask in Accounts and Options				08/10/2012	09/10/2012
Import COA				08/10/2012	09/10/2012
Set General Ledger Account Flags				08/10/2012	09/10/2012
* Set up General Ledger Segments				08/10/2012	09/10/2012
* Set up General Ledger Segment Rules				08/10/2012	09/10/2012
Rebuild Standard Account Trees				08/10/2012	09/10/2012
Define Charge Codes				08/10/2012	09/10/2012



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
<b>Database Setup</b>	3	3 Days		09/12/2012	03/15/2013
<b>Account Trees</b>	1			09/12/2012	09/24/2012
Discuss Account Tree Setup				09/12/2012	09/24/2012
Create Required Account Trees				09/12/2012	09/24/2012
<b>System Settings and Global Parameter Setup</b>	2			09/24/2012	10/15/2012
Accounts and Options				09/24/2012	09/24/2012
Environment Options				09/25/2012	10/01/2012
Account Format				09/25/2012	10/01/2012
Web Environment				09/25/2012	10/01/2012
General				09/25/2012	10/01/2012
Passwords				09/25/2012	10/01/2012
User Lockout				09/25/2012	10/01/2012
Operation				09/25/2012	10/01/2012
Data Entry				09/25/2012	10/01/2012
Sequence Numbers				09/25/2012	10/01/2012
Payable Options				09/25/2012	10/01/2012
Essential Accounts				09/25/2012	10/01/2012
Receivable Accounts				09/25/2012	10/01/2012
Payable Accounts				09/25/2012	10/01/2012
Receivable Charge Codes				09/25/2012	10/01/2012
Contact Roles				09/25/2012	10/01/2012
Environment Labels and Drop Downs				10/02/2012	10/04/2012
Unit Rental Types				10/03/2012	10/04/2012
SqFt Type				10/03/2012	10/04/2012
General Ledger Book Names				10/03/2012	10/04/2012
Other Labels				10/03/2012	10/04/2012
* System Attributes				10/05/2012	10/15/2012
* Property Attributes				10/05/2012	10/15/2012
* Intercompany Table				10/05/2012	10/15/2012
* General Ledger Segments				10/05/2012	10/15/2012
Recommended Optional Parameters/ Packages				10/05/2012	10/15/2012
<b>Security and Menu Setup</b>	15 to 10			10/05/2012	10/15/2012
Design Security Matrix				10/16/2012	10/29/2012
Menu Design				10/16/2012	10/29/2012
User Groups				10/16/2012	10/29/2012
Set Permissions				10/16/2012	10/29/2012
Users				10/16/2012	10/29/2012
Menu for Customized Functions and Reports				10/16/2012	10/29/2012
Security on One-to-Many Buttons				10/16/2012	10/29/2012
Test Security Setup				10/16/2012	10/29/2012
Establish, Review, and Approve Security Setup				10/16/2012	10/29/2012



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

**Commercial Configuration with Yardi New York Module**

	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
System Configuration	2 to 10			10/30/2012	11/12/2012
General				10/30/2012	11/12/2012
Lease Types				10/30/2012	11/12/2012
* Recovery Groups				10/30/2012	11/12/2012
* Lease Clauses				10/30/2012	11/12/2012
* Customer Type				10/30/2012	11/12/2012
* Custom Option Type				10/30/2012	11/12/2012
* Lease Asset Type				10/30/2012	11/12/2012
* Retail Configuration				10/30/2012	11/12/2012
* Sales Groups				10/30/2012	11/12/2012
* Sales Categories				10/30/2012	11/12/2012
* Sales Types				10/30/2012	11/12/2012
* Expense Pools				10/30/2012	11/12/2012
<b>Property Setup</b>	3 to 10			11/13/2012	12/10/2012
Owner/Legal Entity Data				11/13/2012	12/10/2012
Properties				11/13/2012	12/10/2012
Tax Info (if International)				11/13/2012	12/10/2012
* Attributes				11/13/2012	12/10/2012
Contacts				11/13/2012	12/10/2012
Property Control				11/13/2012	12/10/2012
* Buildings				11/13/2012	12/10/2012
* Floors				11/13/2012	12/10/2012
Units				11/13/2012	12/10/2012
SqFt/Area Data				11/13/2012	12/10/2012
Property Configuration				11/13/2012	12/10/2012
General				11/13/2012	12/10/2012
Lease Types				11/13/2012	12/10/2012
* Sales Types				11/13/2012	12/10/2012
* Expense Pools				11/13/2012	12/10/2012
* Recovery Profiles				11/13/2012	12/10/2012
* Unit Location				11/13/2012	12/10/2012
Area Labels				11/13/2012	12/10/2012
* Denominator				11/13/2012	12/10/2012
Unit Types				11/13/2012	12/10/2012
* Anchor Groups				11/13/2012	12/10/2012
Property Lists				11/13/2012	12/10/2012
Rebuild Proprietary Views				11/13/2012	12/10/2012



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
<b>Bank Setup</b>	1			12/11/2012	12/13/2012
Bank Accounts				12/11/2012	12/13/2012
Check Format				12/11/2012	12/13/2012
Print Test Check and Send to Bank for Approval				12/11/2012	12/13/2012
<b>Vendor Setup</b>	5			12/14/2012	12/31/2012
Vendors				12/14/2012	12/31/2012
Provide Vendor Import Template to Client				12/14/2012	12/31/2012
Populate Vendor Import Template				12/14/2012	12/31/2012
Import Vendors				12/14/2012	12/31/2012
Validate Imported Vendors				12/14/2012	12/31/2012
<b>Lease Setup</b>	7 to 20			01/01/2013	03/11/2013
Customers				01/01/2013	03/11/2013
Add Leases				01/01/2013	03/11/2013
Lease Info (Terms and Customer)				01/01/2013	03/11/2013
Late Fee Parameters				01/01/2013	03/11/2013
Billing Contact				01/01/2013	03/11/2013
Units/Space				01/01/2013	03/11/2013
Charge Schedules				01/01/2013	03/11/2013
* Recovery Information				01/01/2013	03/11/2013
* Clauses				01/01/2013	03/11/2013
* Options				01/01/2013	03/11/2013
* Lease Contacts				01/01/2013	03/11/2013
Lease Activation (Individual or Mass Activation)				01/01/2013	03/11/2013
<b>Transactional Data</b>	5	2 Days		03/12/2013	05/20/2013
Set Operating Month from Voyager Workstation Admin (As 1 Month PRIOR to Live)				03/12/2013	03/12/2013
Add Open A/R Balances				03/12/2013	05/20/2013
Add Outstanding Prepayment Balances				03/12/2013	05/20/2013
Add Open A/P Balances				03/12/2013	05/20/2013
Add Outstanding Checks				03/12/2013	05/20/2013
Add Tenant Security Deposits				03/12/2013	05/20/2013
Export Trial Balance and Reverse the Sign				03/12/2013	05/20/2013
Import the Reversed Trial Balance				03/12/2013	05/20/2013
Add General Ledger Opening Balances				03/12/2013	05/20/2013
Initial Bank Reconciliation				03/12/2013	05/20/2013
Monthly Posting/Commercial Billing				03/12/2013	05/20/2013
Close the Property/Month				03/12/2013	05/20/2013



**Project Plan: Core Yardi Voyager Setup for PANYNJ**

	Days	On-Site Visit?	Done?	Planned Start Date	Planned End Date
<b>Data Validation, Testing, and Resolution</b>	14	2 Days		05/21/2013	06/24/2013
Check Financial Reports: Trial Balance, Income Statement, Balance Sheet, etc.				05/21/2013	06/24/2013
Check Accounts Receivable Analytics				05/21/2013	05/27/2013
Check Accounts Payable Analytics				05/21/2013	05/27/2013
Check Security Deposit Report				05/21/2013	05/27/2013
Check Tenancy Schedule				05/21/2013	05/27/2013
Check Transaction Registers				05/21/2013	05/27/2013
Review Business Process/Workflow				05/28/2013	05/28/2013
Refresh/Restore of Testing Database				05/29/2013	06/24/2013
Prepare Test Scripts				05/30/2013	06/24/2013
Train Testing Team				05/30/2013	06/24/2013
Conduct Testing				05/30/2013	06/24/2013
Recreate 1-Month Cycle for Representative Set of Properties				05/30/2013	06/24/2013
Reconcile Results with Prior System				05/30/2013	06/24/2013
Revision of Internal Procedures				05/30/2013	06/24/2013
Document Procedures and Policy Decisions				05/30/2013	06/24/2013
Document, Submit, and Review any Issues with/to Yardi				05/30/2013	06/24/2013
Issue Resolution				05/30/2013	06/24/2013
<b>Go Live (for Core Yardi Voyager Only)</b>				06/25/2013	07/11/2013
End User Training	5	5 Days		06/24/2013	06/28/2013
Complete Go Live Checklist				06/25/2013	07/02/2013
Close Setup Month				06/25/2013	07/02/2013
Go Live	2	2 Days		07/10/2013	07/10/2013

\* - Indicates optional setup items to be discussed

<b>Yardi Executive Dashboard</b>	2			06/25/2013	06/26/2013
Determine Reports Needed					
Set up Formatting					
<b>Yardi Maintenance Management</b>				07/15/2012	08/09/2013
Verify Version					
Maintenance Accounts and Options					
Lookup List					
Optional Parameters					
Property-Level Setup					
Set up Yardi Maintenance Mobile (if Applicable)					

### **F.2.D IT Controls Checklist**

The Yardi Voyager™ application and Yardi's hosting, development, and support protocols are designed to meet the security and control requirements of government agencies, financial institutions, and publicly traded organizations with obligations under the Sarbanes-Oxley Act (SOX). Our review indicates that our solution can comply with the IT control requirements set forth in Attachments H and J and the Port Authority Security Handbook referenced in Section 14.F.2.D of the Selection Process Document. We look forward to discussing PANYNJ's control requirements in further detail to identify the optimal approach to suit your needs.

### **F.2.E Security and Certifications**

#### *Application Security*

Yardi Voyager™ offers stringent and flexible security controls to manage the accessibility of confidential information based on individual user and user group roles. Users access the system with a unique user name and password; PANYNJ can define password complexity requirements, expiration frequency, and more. Security layers within the application include user role-based security, property security, read/write access to specific functions and information on a screen, and controls to disallow access to specific general ledger accounts. You can assign users to security groups which determine available menus, reports, and data sets. The system administrator manages permissions via a built-in administration portal.

The security system authenticates, controls, and monitors use by local, remote, and external users and is configured at the screen, menu, field, and account level. Different users in one group can have different access levels; for example, some may be authorized to modify historical data, while others can edit only data for the current accounting period. Before processing any request, the system validates that the user has access to the requested item.

#### *Physical Security and Environmental Controls*

Our hosting environment provides extensive safeguards and security features, such as firewalls, intrusion prevention systems, surveillance, fire suppression, redundant power and network connections, data backups and disaster recovery, and much more. We undergo annual SSAE 16 (formerly SAS 70) certification, network penetration testing, and more. The following are examples of our physical and data security measures; please see Appendix 3.1 Recommended Products: Yardi SaaS Select™ in the supplemental document in this proposal package for further details.

#### **Yardi Hosting Security**

##### **Environmental Security and Redundancy**

- On-premises security personnel
- Continuous video surveillance with digital recorders and pan-tilt-zoom (PTZ) capabilities
- Biometric screening of all persons entering and exiting the premises
- Seismically braced server racks
- Fire suppression systems
- Battery backups
- Standby generators
- Multiple Internet Service Providers to ensure uninterrupted service
- Nightly off-site backups to standby business continuity servers at a geographically remote center

## Yardi Hosting Security

### Network and Hardware Security

- Redundant server hardware
- Round-the-clock monitoring of server operations
- Wireless alerts to ensure speedy response to performance issues and intrusion attempts
- Cisco PIX firewalls
- RadWare intrusion prevention system (IPS)
- Point-to-point virtual private networks (VPN)
- Secure Sockets Layer encryption
- Network encryption certificates from Yardi or a third-party vendor
- Public- and private-key encryption support
- Encrypted session cookie passed between browser and server

### Application and Data Security

- RDBMS authentication
- Client-defined access to program features, reports, and data
- Client-defined password complexity requirements and session timeouts for your database
- SOX-compliant user activity tracking and reporting
- 128-bit data encryption with a single hash algorithm
- Masked display option for sensitive information in the database (e.g., Social Security or bank account numbers)

## F.2.F Technical Requirements

The proposed solution complies with the technical requirements identified in Attachment E of the Selection Process Document. Please see Appendix 4 Hardware and Software Requirements in the supplemental document in this proposal package for detailed system and configuration recommendations.

## F.3 Maintenance Plan

After delivery of the solution, our service package for PANYNJ includes ongoing technical support, software maintenance, and SaaS hosting management and support. The following is an overview of our maintenance service offering.

### *Technical Support*

Our software license agreement includes a block of support hours via a toll-free hotline, e-mail, or fax from 8 a.m. to 5 p.m. EST Monday through Friday. We are happy to arrange ongoing or occasional off-hour or extended support, although this plan addresses most of our clients' needs. Additionally, Yardi-hosted clients receive 24/7/365 connectivity support from our dedicated SaaS hosting team.

Once you go live, your project manager will continue to support and supervise the new implementation until your operations have stabilized. At a mutually agreed time, we will transfer you from your project manager to an account manager specializing in your real estate market and region who will serve as your ongoing first-line conduit of support. Generally funneled through a single point of contact in your organization, account managers are an invaluable resource. Your account manager will discuss and deliver software updates, schedule advanced training sessions, and serve as your primary point of contact for any issues or concerns. This person also coordinates additional resources from our greater support team, development, and other Yardi departments as needed.

### *Training Services*

Yardi is committed to meeting your organization's training needs. A wide variety of cost-effective learning resources suit your employees' individual needs. Please see Section F.5 Training Plan for an overview of our service options.

### *Documentation and Self-Help Tools*

Yardi Voyager™ features embedded, task-based online help that focuses on our clients' business processes. User guides include step-by-step instructions with screen shots to help users complete real-life workflows. Furthermore, Every client has access to Yardi's dedicated support site, Yardi Client Central. There you will find the latest product updates, documentation, release notes, and technical tips 24 hours a day. Features include:

- User manuals
- User forums
- Frequently asked questions
- Knowledge base
- Tutorials
- Training videos

### *Software Maintenance*

We regularly release service packs to ensure functional continuity while introducing reliable new features, functions, and reports. These updates address changing legal requirements, industry trends, and feature requests from our clients. Our quality assurance staff tests new software builds and third-party software versions (e.g., database management system) extensively. We publish software updates on Yardi Client Central on our Web site, and Yardi Account Managers can deliver them via e-mail or our FTP site. Clients decide when to install an update and can review updates in their test environment. For SaaS clients, we install upgrades upon request. Updates are never installed automatically, so you can always skip or delay upgrades.

### *Hosted System Availability*

Servers undergo scheduled weekly rebooting and maintenance from 11 p.m. on Sunday to 2 a.m. on Monday. During these hours we install updates, reboot servers, review system configurations, and test third-party updates. To ensure system performance, Yardi hosting operates under the following service level benchmarks:

<b>Service Level Agreement</b>	<b>Metric</b>	<b>Goal</b>
<b>Network Availability</b> ▪ LAN ▪ WAN (ISP Access)	Network Uptime	99.5%
▪ Operating systems ▪ Servers ▪ Storage devices ▪ Switches ▪ Load balancers ▪ Routers ▪ Firewalls	System Uptime	99.5%
<b>Application Availability</b> ▪ Voyager ▪ Orion ▪ Beacon ▪ Point 2 products ▪ PropertyShark ▪ RENTCafé	Application Uptime	99.5%

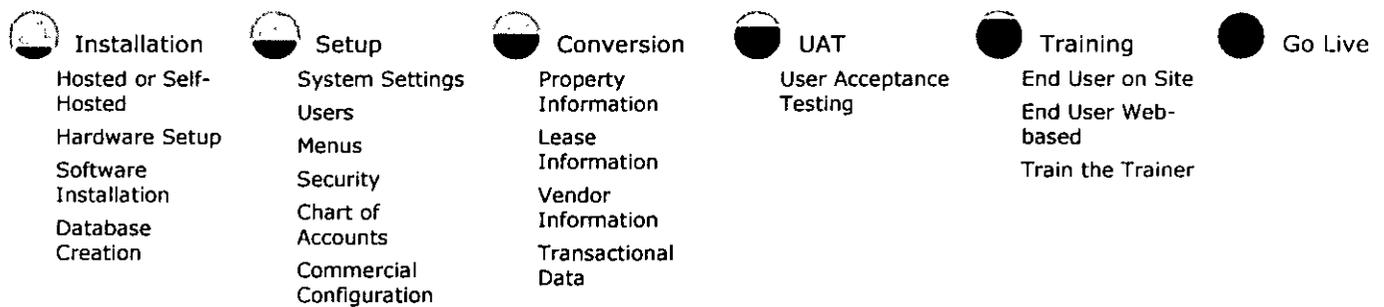
## F.4 Management Plan

In this section we provide additional information about our implementation and support approach as well as resumes for key project staff.

### Implementation and Support Approach

Yardi sees itself as participating in an enduring relationship with its clients, providing integrated solutions that enable you to work more efficiently and profitably today and over the long term. Your selection of any Yardi product or service marks the beginning of an ongoing association that encompasses implementation services, project management, needs analysis, data conversion, customization, tailored training, and technical support.

Our Professional Services team has the expertise to guide you smoothly through the implementation process for any of our solutions, so you experience a timely, successful implementation that will quickly produce the results you want. On the following pages we provide an overview of our implementation and ongoing support approach as well as a sample implementation plan.



**Figure 2: High-Level Implementation Process**

With 30 years of experience, Yardi Government Services Group has a proven and fundamentally sound implementation approach to adding Yardi Voyager™ or any of its components to your business tool kit. Our experienced and qualified professionals strive to make this process as easy and efficient as possible. If you would like to speak to a client or two to investigate their past experience throughout this process, we will be happy to facilitate this conversation.

We have one goal: to deliver the software to you on time, on budget, as promised. The following outlines our approach to accomplishing this goal.

#### *Consult*

- *Pre-Sales.* During the pre-sales phase, our sales and implementation professionals will guide you through an exploration of the Yardi software suite to help you find the best fit. We conduct as many of these sessions as necessary to answer your questions and satisfy any discovery that would help to facilitate a go/no-go decision.
- *Kickoff.* After contract signing, your Yardi project manager will schedule a kickoff call or on-site meeting, as appropriate. This high-level Q&A aims to identify the project stakeholders and key milestones so that we can deliver

project plans and timelines to the project team. This initial exchange of information between the functional leaders sets the tone and pace of the project and is crucial to its success.

### Assess

- Evaluation Session.** Most commonly, this is the project's first face-to-face and on-site meeting. This is an integral step to the implementation process because it allows us to explore the business needs of the client. We strongly prefer to meet at the work site, usually the first location scheduled to go live or the pilot location. We will provide you with a proposed agenda, but we also like to spend some time observing current business operations. This will give us a sense of your existing processes and the steps required during the implementation to meet your business needs.
- Workflow Session.** Using Microsoft Visio, we will walk through the various workflows currently in place with your project team to determine how Yardi Voyager™ can best enhance your operational processes. In addition to providing us with answers, these workflow sessions frequently reveal gaps that you may not have originally considered, and they always provide value. Deliverables include documented workflows and the final project plan.

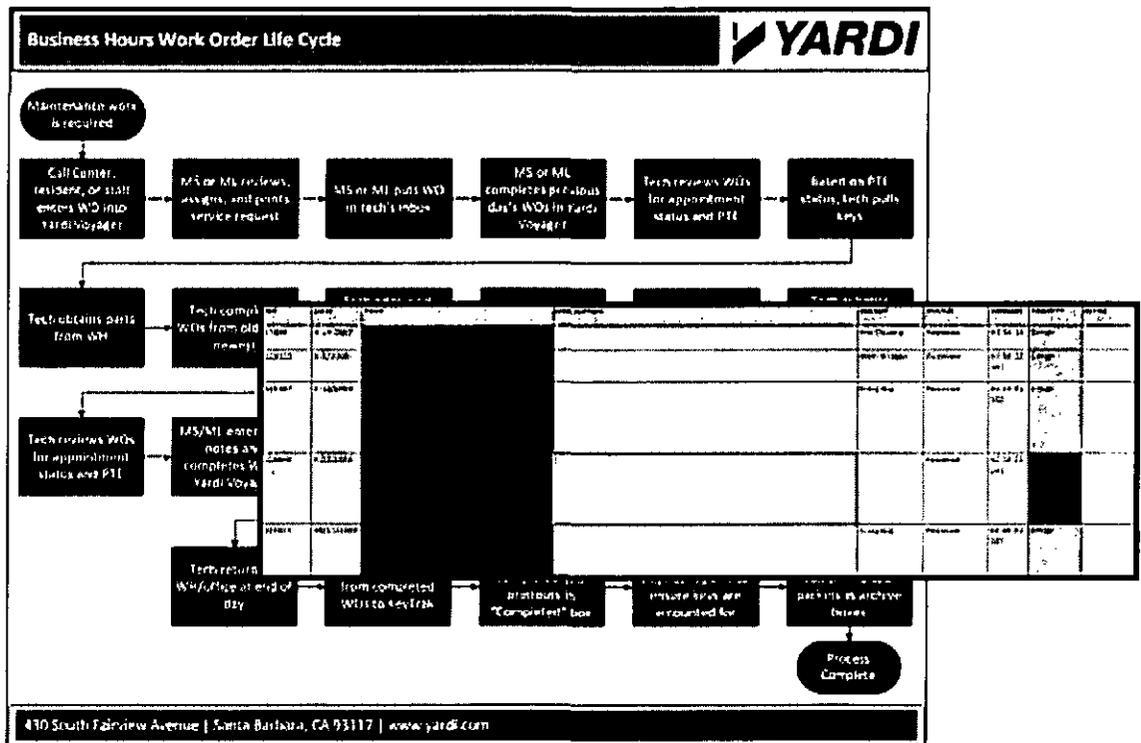


Figure 3: Workflow Documentation

### Plan

- Weekly Calls.** Your Yardi project manager will conduct weekly calls to keep the project on time and on budget. The first call is typically set aside for ratification of the project plan. In subsequent meetings, we track project

progress against the project plan, review issue resolution against the issues log, and discuss any new issues as they arise.

- *Change Management.* Cultural change management often proves to be a challenging part of the implementation process. Our project managers are industry professionals themselves and know the business. They are trained to overcome change management challenges and facilitate a smooth transition through a careful and detailed evaluation of your business processes and thorough, efficient testing and training.
- *Project Plan.* Based on your business procedures and functional needs, your Yardi project manager will create a project plan to guide your implementation. The plan provides project milestones coupled with projected timelines and due dates so that your project is completed on schedule. We will be happy to furnish a copy of an actual project plan upon request.
- *Issue Log.* Used in conjunction with the project plan, this log tracks the progress of enhancements and functional requests through the life of the project. It is prioritized and filtered according to your business needs and gives the project team complete visibility into issue resolution. We will be happy to furnish a copy of an actual log upon request.

#### *Deploy*

- *Installation and Testing.* Once the project has been planned thoroughly, we will install your Yardi solution in a test environment. Whether you are being hosted by our SaaS team or in your own environment, Yardi professionals will ensure that the software is installed with the personalization your business plan requires. Once installation is complete, your project team and functional leaders will have the opportunity to learn the new system.
- *Setup.* Once the software is installed, your Yardi project manager will begin walking you through the setup process. During this process, you will have the opportunity to select the right combination of settings and permissions to fine-tune the software to your specific business needs.
- *Conversion.* Data conversion will progress concurrently with system setup. Our project manager will work with you to create the best method for bringing your important financial and historical data into the Yardi environment.
- *User Acceptance Testing.* After setup is complete and data has been converted to the new system, your project manager will assist you in creating testing scenarios based on your data and business processes. Your own users will have the opportunity to put the system through its paces using these test scripts. User acceptance testing (UAT) will be your opportunity to provide feedback about the system to our developers. Once testing proves that the system meets all your needs, this process will serve as your acceptance of the system.
- *Training.* System knowledge transfer to your end users can be accomplished in several ways:
  - *On-Site End User Training.* With traditional end user training, we send a trainer to a site of your choosing to train end users on all facets of the system. This kind of training is highly personalized, but class sizes are more limited.

- *Web-Based End User Training.* This form of end user training is less personalized, but can accommodate larger class sizes.
- *Train-the-Trainer.* Our trainer(s) pass knowledge on to your trainer(s), who in turn instruct your end users on the system.
- *Go-Live.* We can assist your team with support and training on the ground during go-live if you wish. We typically recommend this for the first location or rollout phase, and we will work with you during the assessment session to determine your needs. On-site support helps ensure a smooth go-live by proactively addressing any training or change management issues that may arise during this hectic time.

## Timeline

Below we outline the anticipated project timeline for PANYNJ's Yardi Voyager™ rollout. Please see Section F.2.C System Implementation Plan for details.

Timeline	Planned Start Date	Planned End Date
<b>Project Startup</b>		
Kickoff Call (Initial Team Introduction)	07/09/2012	07/09/2012
Yardi SaaS-Hosted Client Setup	07/10/2012	07/25/2012
Detailed Business Review and System Overview	07/26/2012	07/30/2012
Total Working Weeks		<b>3 weeks</b>
<b>Phase 1 - Core Setup</b>		
Chart of Accounts Development	08/10/2012	09/10/2012
Account Trees	09/12/2012	09/24/2012
System Settings and Global Parameter Setup	09/24/2012	10/15/2012
Security and Menu Setup	10/16/2012	10/29/2012
Commercial Configuration	10/30/2012	11/12/2012
Property Setup	11/13/2012	12/10/2012
Bank Setup	12/11/2012	12/13/2012
Vendor Setup	12/14/2012	12/31/2012
Lease Setup	01/01/2013	03/11/2013
Transactional Data	03/12/2013	05/20/2013
Data Validation/Testing/Resolution	05/21/2013	06/24/2013
Total Working Weeks		<b>45 weeks<sup>2</sup></b>
Go Live for Core		07/11/2013
<b>Phase 2 - Module Setup</b>		
Yardi Executive Dashboard	06/25/2012	06/26/2013

<sup>2</sup> Setup time will vary based on the total paper-to-electronic transition time needed.

<b>Timeline</b>	<b>Planned Start Date</b>	<b>Planned End Date</b>
<b>Project Startup</b>		
<b>Interface Setup</b>	07/15/2013	07/19/2013
<b>Maintenance Management</b>	07/15/2013	08/09/2013
<b>Total Working Weeks</b>		<b>24 weeks<sup>2</sup></b>
<b>Go Live</b>		<b>08/09/2013</b>
<b>Training Schedule</b>		
<b>Core (On Site)</b>	06/17/2013	06/24/2012
<b>Maintenance Management (On Site)</b>	08/05/2013	08/09/2013
<b>Total Module-Specific Training Weeks</b>		<b>2 weeks<sup>3</sup></b>

### **Project Team Resumes**

The following are professional resumes for the proposed key personnel that we anticipate will be involved in the City's Yardi Voyager™ implementation. We will select final project team members based on the City's requirements as well as staff availability.

#### *Daniel Campbell, Vice President, Government Services*

Daniel Campbell has been with Yardi since 2006 and has worked extensively with the U.S. Army on modernizing its housing management systems. He also supports the military's Public/Private Venture (PPV) partners who use Yardi Military Housing to manage their military housing assets. In addition to managing Yardi's military and government teams, Dan is responsible for the Yardi Maintenance Management, Yardi Inventory Control, and Yardi Fixed Assets modules. Prior to joining Yardi, Dan served as Chief Information Officer at several companies in the property management, hotel, and restaurant industries.

#### *Jessie Crepeau, Project Manager, Government Services Group*

Jessie joined Yardi in 2009 with more than ten years of combined experience with various government agencies. Her previous positions included active duty in the United States Armed Forces and GS-level positions with the U.S. Department of Defense. Jessie also managed Department of the Navy and State Department security contracts as a civilian contractor and performed full implementations of personnel, hardware, site setup, and SOP creation to comply with contractual obligations. As a Yardi Technical Account Manager, Jessie gained experience working with large commercial client portfolios driving implementations, training, and assisting with technical support issues within core and numerous vertical modules. She orchestrated implementations that included Yardi Voyager™ Commercial, Residential, and Financial Management; Yardi Maintenance Management; Yardi Construction Management and Job Costing; Yardi PAYscan; Yardi Budgeting and Forecasting; and Yardi New York. Jessie helped successfully implement software for clients such as Safeco Insurance, Citizens Insurance, TIAA-CREF, Army Corps of Engineers, RLJ Development, and Cigna.

<sup>3</sup> Training time will be adjusted as needed.

*Jay Rainaldi, Manager of Consulting Services, Government Services Group*

Jay Rainaldi is Manager of Consulting Services for Yardi's Government Services Group (GSG). He joined Yardi in 2008 as a consultant for our military clients. Jay has spent more than 20 years in the property management industry, including managing market-rate and affordable assets at the site, regional, and corporate levels in Southern Ohio, Kentucky, and Indiana. In 1997, he was promoted from software administrator to IT director for National Realty Management's flagship property management suite. He managed the technological infrastructure and ancillary income for the company's national portfolio. Jay later worked as director of IT operations at Forest City Residential Management and as a project manager at Corrigo, Inc., a service management software provider. Jay holds a B.A. from Wright State University and a Certified Occupancy Specialist (COS) certification from the National Center for Housing Management.

*Jose Martinez, Project Lead, Government Services Group*

Jose Martinez is the Project Leader of Military Software Development for Yardi's Government Services Group (GSG). After earning a B.S. in Computer Engineering from the University of California, Santa Barbara, Jose immediately joined Yardi as a technical analyst. As part of the Yardi GSG team, Jose has managed significant and complex projects, including the design and management of database conversion processes for the Department of the Army. This project enabled the Army to migrate legacy data from a previous software system to the Yardi Voyager™ solution. He currently supports several government sector clients by developing custom reports and applications based on specific, client-defined parameters. Jose also manages the Military software development team and is a key player in the development of new mobile applications for Yardi.

*Joshua Cunningham, Manager of Client Services, Government Services Group*

Joshua Cunningham is Manager of Client Services for Yardi's Government Services Group. He joined Yardi in 2006 and has led projects for our military and government clients all over the world. Josh studied Computer Science at the California Polytechnic Institute, San Luis Obispo, before transferring to the University of California, Santa Barbara, where he graduated with a B.A. in Business Economics.

*Victor Perez, Associate Technical Account Manager, Government Services Group*

Victor Perez is an account manager for the Yardi Government Services Group (GSG). He joined Yardi in 2011 after receiving a B.A. in Business Economics with an emphasis in accounting from University of California Santa Barbara. In his previous position, Victor worked with business and accounting software for an organic foods distributor. In his time at Yardi, Victor has served as a key resource for his clients using Yardi Voyager™ as well as being heavily involved in the recent release of several mobile applications.

## **F.5 Training Plan**

In this section we provide additional detail on our training approach for PANYNJ, including initial training during implementation and ongoing options after go-live.

### **Implementation Training**

A Yardi implementer can deliver the specialized training on the Yardi Voyager™ topics you need. We bring the software, training courseware, and Yardi instructor right to your busy staff to manage their time effectively and help you meet your schedule and budget. Our implementation proposal includes eight days of on-site training for PANYNJ staff and administrators. System knowledge transfer to your end users can be accomplished in several ways:

- *On-Site End User Training.* With traditional end user training, we send a trainer to a site of your choosing to train end users on all facets of the system. This kind of training is highly personalized, but class sizes are more limited.
- *Web-Based End User Training.* This form of end user training is less personalized, but can accommodate larger class sizes.
- *Train-the-Trainer.* Our trainer(s) pass knowledge on to your trainer(s), who in turn instruct your end users on the system.

### **Ongoing Training**

The following is a brief overview of our ongoing training options available to PANYNJ. We invite you to ask your account manager about available training opportunities or contact our training office at (800) 866-1144 ext. 1276 or [training@yardi.com](mailto:training@yardi.com).

#### *Classroom Training*

We offer hands-on, comprehensive training from Yardi professionals at several Yardi offices. Classroom training is designed to prepare your employees to work with our software the way it was designed to operate. Students experience immediate results through increased productivity and efficiency after attending our classes. We offer classes for varying skill levels and believe in practical learning. With hands-on learning in our classrooms, you receive immediate experience, immediate feedback, and gain immediate understanding. Our hands-on sessions are up to three days long and show end users how to fully use the software. More advanced classes for IT and other technical personnel explore the inner workings of the database. Most of our classes offer Certified Professional Education (CPE) credits. Our client support website lists class schedules, course descriptions, and prerequisites.

#### *Online Training*

Convenient and cost-effective, the virtual classroom enables users to attend classes from their home or office. Experienced instructors teach these classes in real-time. Attendees can view the instructor's screen online and speak directly with the instructor and other classroom attendees over the phone.

#### *Custom Training Opportunities*

If your training needs fall outside the scope of the training opportunities listed here, please contact the Yardi training department to discuss how we can help.

## **F.6 Software License and Escrow Agreements**

Please see Appendix 1 Software License and Escrow Agreements in our supplemental document in this proposal package for copies of our software license and escrow agreements.

**G. Acknowledgment of Addenda**

Please see Appendix 2 Acknowledgment of Addenda in our supplemental document in this proposal package for signed copies of PANYNJ's addenda to the Selection Process Document.

## **H. Acceptance of General Contract Provisions**

Yardi acknowledges the general contract provisions presented in the Selection Process Document as a basis for the eventual transactional agreement. Yardi expects that its license agreement relevant to the eventual transaction (once its basic elements are determined via discussions between the parties) will be incorporated into the eventual agreement. Yardi has undertaken and successfully closed similarly structured agreements with many agencies. As a result, we are confident that we can develop a mutually acceptable agreement for this business partnership; we will work earnestly toward that end if we are selected as the preferred vendor. Yardi anticipates that any conflicts, inconsistencies, and differences between the agreement to be used as a basis for the transactional agreement and Yardi agreement will be resolved by negotiations between the parties' respective representatives. For example, Yardi reserves the right to negotiate provisions related to intellectual property rights.

**I. M/WBE Plan**

On the following pages we provide our M/WBE plan on PANYNJ's form as well as our current MBE certification. Please note that Yardi is submitting this proposal as the sole contractor and is not proposing any subcontractors. Our company is a Minority-Owned Business Enterprise (MBE) certified by the County of Los Angeles.

PROCUREMENT M/WBE PARTICIPATION PLAN

Office of Business Diversity and Civil Rights

NOTE: The Proposer/Bidder shall submit to the Manager, Line/Facility Dept. Form PA 3749C - MODIFIED PLAN for any changes to the original plan: i.e.: subcontractor, dollar amount or work performed. If more than 1 page is used, complete totals on last page.

PAGE: \_\_\_\_\_ OF \_\_\_\_\_

Purchase Order #: To be determined Contract Description: Real Estate Lease Administration and Database System  
 Proposer/Bidder Name: Yardi Systems, Inc. Contract Amount: \$2.9 to \$3.8 million  
 Mailing Address: 430 South Fairview Avenue, Santa Barbara, California 93117 Contract Goals: MBE \_\_\_\_\_ WBE \_\_\_\_\_  
 Telephone Number: (800) 866-1144 ext. 1139

Name, Address, Phone Number of PA Certified M/WBE subcontractor (including name of contact person)	Indicate MBE or WBE	Description of Work, Services to be provided. Where applicable, specify, "supply" or "install" or both "supply" and "install."	Anticipated date work will start and finish	Approximate \$ amount of M/WBE Subcontract	M/WBE % of Total Contract Amount
Yardi Systems, Inc. (Please note: Yardi is submitting this proposal as the sole contractor and is not proposing any subcontractors. Our company is a Minority-Owned Business Enterprise (MBE) certified by the County of Los Angeles. We include a copy of our current certification letter on the next page in this proposal.)	MBE	Supply, install, and support property and financial management software	07/09/2012 to 07/09/2017 (not including the two subsequent option periods of three years each)	\$2.9 to \$3.8 million	100%
<b>TOTAL:</b>				\$2.9 to \$3.8 million	100%

Signature of Contractor:   
 Print Name: Gordon Morrell  
 Title: Executive Vice President and Chief Operating Officer Date April 11, 2012

FOR OBDCR USE ONLY  
 Contract Goals:  Approved  Waived  Rejected  
 Reviewed by: OBDCR Business Development Representative  
 Print Name: \_\_\_\_\_ Date \_\_\_\_\_

Distribution: Original – OBDCR; Copy 2 – Manager, Line/Facility Department; Copy 3 – Proposer/Bidder. Copy 4 – Procurement Dept – Award File



**COUNTY OF LOS ANGELES  
OFFICE OF AFFIRMATIVE ACTION COMPLIANCE**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 780  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1080 / FAX (213) 628-7034  
TTY (213) 974-0911  
HTTP://OAAC.CO.LA.CA.US

MEMBERS OF THE BOARD  
GLORIA MOLINA  
MARK RIDLEY-THOMAS  
ZEV YAROSLAVSKY  
DON KNABE  
MICHAEL D. ANTONOVICH

DENNIS A. TAFOYA  
DIRECTOR

March 29, 2011

Mr. Anant Yardi, President  
Yardi Systems, Inc.  
430 S. Fairview Avenue  
Goleta, CA 93117

Address all correspondence to:  
**Affirmative Action/Diversity Programs**  
1000 S. Fremont Avenue  
Building A-9 East 1<sup>st</sup> Floor  
Mail Unit: #24  
Alhambra, CA 91803-8862

**CBE Program ID#: 83227**  
**Status: MBE**

Dear Mr. Yardi:

Congratulations! Your firm has been recertified as an eligible participant in the County of Los Angeles Community Business Enterprise (CBE) Program. This recertification is valid until March 11, 2013.

The County of Los Angeles Office of Affirmative Action Compliance reserves the right to request additional information and/or conduct an on-site visit at any time to verify any documentation submitted by the applicant. If there are any changes during this certification period, you are required to notify this office immediately.

Thank you for registering your business with the County's Vendor Registration website (WebVen) at <http://camisvr.co.la.ca.us/webven>. You are now eligible to participate in the County's on-line access to open bids, be placed on bid lists generated by County departments looking for prospective vendors and periodically be notified automatically via email of County bids by specific commodities/services.

Again, congratulations on your recertification. If you have questions, please call (877) 669-CBES and refer to the identification number above.

Sincerely,

DENNIS A. TAFOYA  
Director

Ozie L. Smith  
Senior Deputy Compliance Officer

DAT:OLS/ct

**THE PORT AUTHORITY OF NY & NJ**

PROCUREMENT DEPARTMENT  
2 MONTGOMERY STREET, 3<sup>RD</sup> FLOOR  
JERSEY CITY, NJ 07302

**REQUEST FOR INFORMATION**

**TITLE: REAL ESTATE LEASE ADMINISTRATION AND DATABASE SYSTEM**

**NUMBER: 28260**

**SEND RESPONSES TO: REFER TO THE RFI FOR SUBMISSION INSTRUCTIONS**

**RESPONSE DUE DATE:**

**FEBRUARY 29, 2012**

**TIME: 2:00 PM**

**BUYER NAME:**

**JAMES SUMMERVILLE**  
**PHONE#: (201) 395-3454**  
**FAX#: (201) 395-3925**  
**EMAIL: [jsummerville@panynj.gov](mailto:jsummerville@panynj.gov)**

## 1. GENERAL INFORMATION: THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

The Port Authority of New York and New Jersey (the "Authority" or "Port Authority") is an agency of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. It is charged with providing transportation, terminal and other facilities of trade and commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States. The Port Authority manages and/or operates all of the region's major commercial airports (Newark Liberty International, John F. Kennedy International, Teterboro, LaGuardia and Stewart International Airports), marine terminals in both New Jersey and New York (Port Newark and Elizabeth, Howland Hook and Brooklyn Piers); and its interstate tunnels and bridges (the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; and the Outerbridge Crossing), which are vital "Gateways to the Nation."

In addition, the Port Authority operates the Port Authority Bus Terminal in Manhattan, the largest facility of its kind in the world, and the George Washington Bridge and Journal Square Transportation Center bus stations. A key link in interstate commuter travel, the Port Authority also operates the Port Authority Trans-Hudson Corporation ("PATH"), a rapid rail transit system linking Newark, and the Jersey City and Hoboken waterfronts, with midtown and downtown Manhattan. A number of other key properties are managed by the agency including but not limited to a large satellite communications facility (the Teleport) in Staten Island, and a resource recovery co-generation plant in Newark. Prior to September 11, 2001, the Port Authority's headquarters were located in the World Trade Center, and that complex is still owned and being partially redeveloped by the Authority.

## 2. OVERVIEW

The Port Authority is seeking to identify firms interested in submitting information concerning the provision, implementation, management and maintenance of a web-based **commercially off-the-shelf ("COTS")**, Real Estate Lease Administration and Database System (hereinafter sometimes referred to as the "System") that could serve as a readily accessible, comprehensive data source for all real properties, leases, and permits associated with the Authority. The Port Authority will use the System for the purposes of property management; lease administration; marketing, negotiating and pricing strategy; work flow; report generation; document storage and tracking; and decision-making for acquisitions, dispositions, and other property transactions.

The Port Authority may use the information submitted in response to this Request for Information ("RFI") to identify System(s) that meet the demonstrated requirements stated below

and thereafter issue a solicitation to obtain the services of a firm to provide and maintain the System. The subsequent solicitation may also request project management related services, or based on information provided in response to this RFI, the Authority may issue a separate solicitation for project management services. Project management services may include ongoing administration and management of the selected System.

### **3. BACKGROUND**

The Port Authority is an extensive owner and/or operator of many unique properties in New York and New Jersey. The Authority is both landlord and lessor in many properties. For example, in many instances, the Authority is the fee-owner of property and associated improvements; in other cases, the Authority owns the property and receives ground rent from the owner/operator of the facility located on the Authority's property. In other cases, the Authority has long-term leases on property. Properties in which the Authority has interest range from airport terminals to small vacant parcels adjacent to railroad tracks. The Authority also has significant developable air rights above its properties – e.g. above the Lincoln Tunnel Expressway in New York City.

The following list represents properties in which the Authority has interest:

A. Aviation:

John F. Kennedy International Airport;  
LaGuardia Airport;  
Newark Liberty International Airport;  
Stewart International Airport;  
Teterboro Airport.

B. Marine Terminals:

Port Jersey-Port Authority Marine Terminal;  
Brooklyn-Port Authority Marine Terminal;  
Elizabeth-Port Authority Marine Terminal;  
Howland Hook Marine Terminal;  
Port Newark.

C. Bus Terminals:

Port Authority Bus Terminal;  
George Washington Bridge Bus Station;  
Journal Square Transportation Center (operated by PATH).

D. Rail Terminals and rail rights of way:

Journal Square Transportation Center;  
PATH Rail Transit System.

E. Real Estate & Development:

Bathgate Industrial Park;

Essex County Resource Recovery Facility;  
Ferry Transportation;  
Industrial Park at Elizabeth;  
Newark Legal and Communication Center,  
Queens West Waterfront Development;  
The Hoboken South Waterfront Development

F. World Trade Center Redevelopment:

One World Trade Center  
Towers 2, 3, 4  
Site 5  
7 WTC  
Retail  
9/11 Memorial & Museum  
Performing Arts Center (potential)  
Balance of WTC Site Common Areas including Hub/Oculus

The Authority is a landlord to hundreds of tenants and is responsible for approximately 65 million square feet of buildings and 15,000 acres of property it owns or leases at its various facilities. It is also a lessee of over 1.3 million square feet of office space used by its own employees.

While the Authority has extensive holdings, there is no comprehensive database of its properties that is used to record **ALL** real-estate related activities. The following departments record data related to the Authority's properties, leases, and other property-related information:

A. Aviation:

40 people who record such data ("Users")  
225 leases  
Over 1,000 other agreements (permits, licenses, etc.)

B. Port Commerce:

15 users  
100 leases  
50 other agreements

C. Real Estate:

4 users  
20 leases  
16 fiber optic agreements

D. PATH:

Property representation functions performed by the Real Estate Department  
20 leases  
10 permits

- E. Tunnels, Bridges and Terminals:  
 Property representation functions performed by the Real Estate Department  
 80 leases  
 About 70 additional agreements
  
- F. Technology Services Department:  
 Fiber Optic Agreements are managed by the Real Estate Department  
 70 fiber optic agreements
  
- G. World Trade Center Redevelopment:  
 3 Users  
 25 leases

**4. Data Elements**

The Users in the aforementioned departments capture the following data ("Data Elements"), as necessary, in the respective programs. However, this list of Data Elements may change in subsequent solicitation:

<b>A. Company</b>	Warehouse Square Footage
Company Name	Water Area
Description	Water Meter
	Electric Meter
<b>B. Departments</b>	Building RSF
Department Name	Block
Description	Lot
	Latitude
	Longitude
<b>C. Building</b>	Area
Building Type	Building Stories
Building Name	Building Usage
Building Number	Electric Feed Cap
Year Built	Heat Source Type
Site Acreage	Map Grid ID
Description	
Aircraft Ramp Positions	
Air Side	<b>D. Tenant Information</b>
Building Rating Scale	Tenant Name
Linear Feet	Address/Mailing Address, Principle Office
Office Square Footage	Phone #
O&M / Utility Costs	Fax #
Utility and meter measurements	Email
Truck Doors	URL
Vacancy Year	Business Type

Federal Tax ID  
Tax Class  
Taxpayer Type  
State of Incorporation

**E. Agreements**

Tenant Name  
Business Type  
Agreement Number  
Suite/Unit Number  
Suite/Unit Type  
Move Out Date  
Lease End Date  
Lease Ended Due To?  
Area Type  
Abatement Rate  
Insurance Requirement  
Lease Commencement Date  
Rent Start Date  
Free Rent Period  
Port Authority Responsibility  
Additional Information  
Maintenance Agreement Information  
Terminal Group  
PA Rep  
Agreement Type  
Broker  
Lease Abstract Number  
Country  
Capital Investment Amount  
Description of Capital Investment  
Security Deposit Received  
Security Deposit Amount  
Renewal Options

**F. Tenant Sales**

Gross Sales  
Breakpoint  
Percentage Amount  
Year  
Month

**G. Agreement Options**

Right to Downsize

Right to First Offer  
Right to First Refusal  
Right to Renew  
Right to Sublet  
Right to Terminate

**H. Tenant Utilities**

Electric Meter Number (could be multiple)  
Meter Type (could be multiple)  
Date Installed (could be multiple)  
Location (could be multiple)  
Water Meter  
Meter Type  
Date Installed  
Location  
Chilled Water  
Domestic Cold Water  
Domestic Hot Water  
HVAC  
Trash Removal  
Electric Type (Metered, Surveyed, etc.)  
Air Tonnage  
Cleaning Type  
Condensed Water Tonnage  
Hot and Cold Water Tonnage  
Telecom/Internet

**I. Parcels**

Parcel Number  
Parcel Size (Acres)  
Address  
City  
State  
Zip  
Block  
Lot  
Latitude  
Longitude  
General Location  
Boundary East  
Boundary West  
Boundary North  
Boundary South  
Topography

Municipal Comm. Restrictions  
Surrounding Areas  
Relevant Information  
Improvements  
Future Plans  
Usage Description  
Comments  
Development Forecast  
Encumbrances, such as easements  
How numbered?  
Insurance

**J. Property Values**

Property Value  
Value Date  
Market Value  
Value Description

**K. Unit**

Unit Name  
Unit Description  
Unit Type  
Gross Square Feet  
Usable Square Feet  
Plannable Square Feet  
Rentable Square Feet  
Lineal Feet  
Count  
Billing Frequency

**L. Tenant Contacts**

Name  
Title  
Description  
Facility Location (could be multiple locations)

Phone  
Cell  
Emergency  
Fax  
Address  
City  
State  
Zip  
Email  
URL

**M. Insurance**

Tenant Name  
Location  
Agreement Number  
Effective Date  
End Date  
Sent To Risk Management  
Approved By Risk Management  
Insurance Carrier Name  
Insurance Carrier Description  
Address  
City  
State  
Zip  
Insurance Notes

**N. Supplements**

Supplement Type  
Supplement Start Date  
Supplement End Date  
Supplement Number  
Supplement Name  
Description  
Supplement Entry Date

Note that several departments (Real Estate; Port Commerce; Aviation; Tunnels, Bridges & Terminals, and PATH) handles date-sensitive items, including but not limited to Rent Bumps, Escalations, Insurance Expiration, Tenant Option Dates, Lease Expiration, etc.

**5. REQUIREMENTS TO BE DEMONSTRATED**

**I. OVERVIEW:**

The Respondent shall demonstrate that its System can accommodate the Data Elements described in Section 4, above, **with no or minimal customization**. Using the "Data Elements Table" attached hereto as Attachment B, the response shall include a table with the following format:

Data Element	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
	X			
		X		The system will need some customization because....
			X	The system cannot accommodate data element because....

**II. FUNCTIONALITY**

The Authority seeks a System with the following functionality:

**A. Lease Workflow**

There is a standardized workflow process for executing leases at the Port Authority. The lease workflow process requires many approvals, and may engage the Authority's Real Estate Department as well as the Law Department and the requesting department. The following bullets represent the sequence of key events in this lease workflow process:

- Lease negotiations
- Document (e.g. leases, supplements, permits, licenses, and rights of entry) Request
- Document Request Review
- Law Department and Draft Review (several iterations of review and approval)
- Authorization Approval mechanisms, if required
- Director signature and notarization
- Attestation

The firm selected from the subsequent solicitation ("Contractor") would also be required to develop a graphical workflow process map depicting the interrelationships of the involved Authority departments and third parties. Respondents shall demonstrate that their Systems can support the process.

B. Document Management

The System should include a document management subsystem that is compatible with the systems indicated in Attachment D, where many types of scanned documents can be stored and retrieved in reference to many of the Data Element records/tables referenced above in Section 4. Reports should be downloadable to formats that can be easily manipulated and printed (e.g. Excel, Word), and all sections, screens and documents should have print capabilities. The types of scanned documents for System storage and retrieval (in appropriate format) will include, but are not limited to:

- Leases, permits, appraisals, and other agreements (multiple formats - MS Word, Adobe Acrobat PDF, etc.);
- Insurance certificates;
- Billing advices to Revenue Accounting Division, Comptroller's Department;
- Floor and site plans;
- Maps; and
- Photographs.

C. Automatic Notifications:

The System must be able to integrate with MS Outlook for email notifications, and generate automatic date-sensitive tickler e-mail notifications to Port Authority property representatives for events such as:

- Lease expirations and options to renew
- Escalations and rent bumps
- Late rent payment (10- and 30-day notices, eviction notice, etc.)
- Letter regarding property condition (e.g. cleanliness, etc.)
- Overdue items
- Pending due items

The System must also be able to generate multiple reminders to multiple recipients.

Note: The amount of advanced notice for any particular property/agreement should be user-configurable.

**D. Reporting:**

Reporting requirements include both standard and ad-hoc reports. The standard reports should be obtainable by all departments and facilities, with flexible sorting options. For example, reports should be easily sortable by department or facility so a user can quickly find all information related to the Aviation Department or the John F. Kennedy International Airport. In addition, certain summary-level reports should be available at the corporate level. They should be downloadable to formats that can be easily manipulated and printed (e.g. Excel, Word). The standard reports include but are not limited to the following:

- All leases and/or subleases;
- All agreements with percentage rent provisions;
- All space permits;
- All privilege permits;
- All agreements with a particular entity;
- All tenants by location;
- Availability;
- Square footage-total and available (gross and useable);
- Vacant land-parcels and acreage, by geographic location;
- Performance metrics including status of unexecuted/executed leases, agreements and permits, timeliness measures (e.g. times to execute by various sorting criteria (department, type of agreement, etc.); and

- **Management Reports:**

List of Approvers	by Approver and alternate(s)
Workflow Approvals	by Approver by Lease Contract by Step in the Workflow Process
Expiring Leases	by expired report by 6 months by 12 months by Property Representative by Facility by Department by Attorney/Law
Expired Certificate Of Insurance Report	by Property Representative by Facility by Lease by Risk Management staff

Lease Details	Contract details
Vacant Space	by Property Representative by Facility by Department
Lease Extension Report	by Property Representative by Facility by Department by Attorney/Law
Utility and Usage Report	by Facility by Lease

(It is anticipated that the development of some additional reports will be determined during the implementation of the selected System).

In addition to providing an ad-hoc reporting tool, the System shall also be able to provide:

- Savable custom report design capabilities, specifically for non-technical users
- Reports listing all automatic tickler e-mail notifications

**E. Application Security and Permissions:**

The concept is that all Users will have access to the data but data input and changes to the data will be allowed only via a hierarchy of authorizations.

Moreover, it will be expected that the System will need to comply with the **IT Control Checklists (Attachment C)**, **STANDARDS & GUIDELINES FOR PORT AUTHORITY TECHNOLOGY (Attachment D)**, and the **Port Authority Information Security Handbook (<http://www.panynj.gov/business-opportunities/pdf/Corporate-Information-Security-Handbook.pdf>)**

**F. Interfacing with other systems:**

The System must be able to interface with the following Port Authority applications:

- SAP. The System will need to be able to access real estate-related financial records that currently reside in SAP, which is used to record financial transactions (e.g. invoicing) related to the Port Authority properties. The Respondent shall describe any “off the shelf” integration capabilities with SAP or any extensive experience in providing this kind of integration for its clientele. Specifically, the Respondent should describe the capability of its System to interface with the SAP Accounts Receivable module and revenue/billing module;
- Mapguide or ESRI GIS, with the ability to retrieve maps at various levels, including facility, property, lease, etc.

- The electronic mail subsystem should be SMTP compliant. All automatically generated tickler e-mail notifications will be sent through the Authority's Send Mail server(s) before being sent to e-mail systems for Authority staff or tenants.
- Easily exportable report data to standard database, spreadsheet, and word processing tools

**G. Additional Optional Features:**

The Authority is also interested in evaluating additional optional features offered in the Respondent's System. These additional optional features include but are not limited to:

- Financial functions, such as revenue searches or research by tenant-type, etc.;
- Geographic Information Systems (GIS) interface;

H. In addition to describing the above-mentioned functionality, Respondents shall also include descriptions of the following functionality in their Systems:

- Graphical Interface
- Track surplus property/Track acquisitions
- Keep appraisal information/reports
- Query by Data Element

**III. INFORMATION TECHNOLOGY ENVIRONMENT:**

- A. IT Standards: The Respondent should indicate whether its System conforms to the "Standards and Guidelines for Port Authority Technology", attached hereto as Attachment D.
- B. Server Configuration: The Respondent shall include a proposed system architecture – including the operating system, software utilities, and version numbers compliant with the IT Standards referenced in Attachment D– that would provide an excellent response time.
- C. IT Control Checklist: The Respondent should indicate whether its System conforms to the requirements in Attachment C (IT Control Requirements).

Furthermore, the Respondent shall describe whether its System can be:

- Hosted remotely through an Application Services Provider (ASP) solution. The Respondent shall indicate whether the ASP solution is based on an internet-based connection and shall document its 'remote' security standards for ASP solutions; and/or
- Hosted on a server at a Port Authority facility.

The Respondent should recommend an approach (hosted remotely or onsite at a Port Authority facility) and highlight the rationale for such recommendation.

#### IV. SYSTEM IMPLEMENTATION

The Respondent shall briefly address the following **expectations** for implementing the System, addressing its capabilities to perform the tasks described below if ultimately selected as the Contractor following the subsequent solicitation.

- A. Business Analysis: The selected Contractor will develop and maintain a requirements tracking matrix and gap analysis
- B. Data Requirements Confirmation: The selected Contractor will review all Data Elements to confirm that the listing is complete and adequate (there may be new data elements and/or tables identified in this task) and conforms to best practices. Data requirements confirmation will involve interaction with representative staff from the departments listed in Section 3.
- C. Software configuration: While the Port Authority expects to select a COTS solution, it also expects the selected Contractor may have to configure Data Elements and the screens of the System for optimized use.
- D. System Installation: The selected Contractor will install the System either in an ASP configuration or on a Port Authority-hosted server.
- E. Data Conversion: The selected Contractor or a third party will transfer the data from current Port Authority programs into its System.
- F. Data Collection and Data Entry, and Data Accuracy and Validation: The selected Contractor or a third party will provide significant data-collection and data entry services (e.g. extracting information, ensuring the completeness and accuracy of data entry during the early months of the project prior to System launch), and will, after System Launch, enter and update information into the selected System, and provide oversight, and protocols to ensure that the integrity and timeliness of the data is maintained in the future.
- G. System Test: The selected Contractor will be responsible for developing and carrying out a formal system test plan for the System. The System should also pass a validation test performed by the Authority.
- H. User Profiles and Security Provisions: The selected Contractor will help the Port Authority – assigned administrator(s) to establish all user profiles and security provisions.
- I. End-User training: The selected Contractor will devise a comprehensive training program for users of the System.

- J. System Launch: The selected Contractor will coordinate all activities for System launch.
- K. System Final Approval and Sign Off: The System will be in production for a given period of time without significant errors and system interruptions before the Authority will sign off on final approval.
- L. Ongoing Support, Maintenance, Trouble-Shooting, System Documentation: From the date of final approval of the System, the Contractor will provide several years of ongoing support, maintenance, trouble-shooting, and System Documentation for the software, application and System, and updates to the System.
- M. Disaster Recovery Plan and Testing. The selected Contractor will be expected to develop a Disaster Recovery Plan for the System.

In addition, the Respondent shall provide a **high-level** Systems Implementation Plan, illustrating the tasks and schedule (in number of weeks) anticipated to implement the System.

**V. PROJECT MANAGEMENT**

The Authority is interested in obtaining project management services that will include initial data collection and data entry, the ongoing collection of data and entry of data into the System, the production of reports and other activities related to the management of the information in the System. Data collection is anticipated to be significant, and will entail extracting information from paper and electronic documents, ensuring the completeness and accuracy of data entry during the early months of the project prior to System launch.

The Respondent shall describe its ability to provide such project management services. Moreover, using the table format included in Section 5.III (Submission of Information; Approach), below, the Respondent shall also identify real estate management firms or other firms that use its system and that can provide such project management services.

**6. SUBMISSION OF INFORMATION**

Each Respondent shall email a pdf copy of its response to Principal Contracts Specialist James Summerville at [jsummerville@panynj.gov](mailto:jsummerville@panynj.gov), no later than the time and date listed on the cover page.

The response must follow the format and order of items, using the same paragraph identifiers, as set forth below:

- I. Letter of Transmittal
- II. Statement of Qualification
- III. Approach

## **I. Letter of Transmittal**

Each response shall contain a Letter of Transmittal, identifying the Respondent, executed by an authorized representative on behalf of the Respondent.

The Letter of Transmittal shall contain:

- a) Name, address, URL and Federal Employer Identification Number of the Respondent;
- b) Contact information (name, title, email, telephone and fax numbers) of the individual who shall act as the Respondent's contact with the Authority for further information requests and future solicitations. In addition, at any time after the opening of the RFI submittals, the Authority may request additional information relating to the prospective firm's or participant's qualifications and will use this individual as the point of contact for these queries.

## **II. Statement of Qualification**

The Respondent's statement of qualification is an opportunity for the Respondent to describe its Real Estate Lease Administration and Database System that would satisfy or exceed the requirements stated herein, and its experience and industry expertise in providing such systems and equipment.

A statement of the firm's capability and prior experience with projects of similar magnitude and complexity, to perform the required services must be included.

The Respondent shall provide a brief description of the company, its lines of business, organization, mission and objectives, the location and size of the local office that would support a future contract.

Such Statement shall include:

- a. Name and address of the response's preparer and the Respondent's joint venture participants, if any, and a company organization chart.
- b. A statement as to how many years the Respondent has been in business under its present business name, and a list of previous business names used, if any.
- c. Information on whether the Respondent or any officer or partner thereof failed to complete a contract.
- d. Information on whether the Respondent has contractually provided or is contractually providing such Real Estate Lease Administration and Database System (and project management services) to other governmental entities. The

Respondent shall identify and briefly describe the nature of the System and project management services provided to the other governmental entities. Indicate the name of the corporate or governmental entity, the contract number(s), and the applicable brand and numbers authorized under the award(s). Include the term dates of the award.

### III. Approach

#### Executive Overview:

The Respondent shall provide a narrative Executive Overview ("Overview") of the overall approach that it would use to satisfy Authority requirements. The Overview shall introduce the Respondent's solution to fulfilling the requirements of the RFI. The Overview shall set forth main objectives, identify key success factors, performance measures, anticipated problem areas, if any, and how the Respondent would address them.

Special attention should be paid to explaining:

- Relevant organizational background/history and pertinent work experience;
- What makes the Respondent and its solution, industry expertise and experience unique in the way it will approach this project.
- The Respondent's history in implementing Real Estate systems and maintaining and supporting the environment. Highlight specific projects or maintenance contracts which meet the criteria, especially when performed for government and state entities.
- The Respondent's history in handling all phases of the System implementation, including testing, training, data conversion, security and reporting.

#### Solution Description:

The Solution Description shall:

- **Using the Paragraph Identifiers/Headings in Section 4, "Functionality",** describe how its System satisfies the requirements specified in Section 4;
- Provide information about the Respondent's existing client base. Following the format of the table provided below, the Respondent shall describe the **active (i.e. not expired)** contracts under which it provides **commercially off-the-shelf ("COTS")**, browser-based Real Estate Lease Administration and Database System. The table shall include **all** active contracts with clients in the public sector and with real estate management firms or other firms.

Client Name	Public Sector?	Real Estate Mgmt Firm or other firms	Term of Contract and Date the System was implemented	COTS with or without customization	Project Mgmt Services provided?	Size of the implemented system, e.g. number of leases, users, etc.	Contact info (name, email address, phone #)
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Note that, resulting from the subsequent solicitation, the Port Authority presently anticipates awarding a contract to a firm that has proven experience in contractually providing similar Real Estate Lease Administration and Database System and related services to other governmental entities in the United States. It is expected that the contract between the Authority and the selected firm shall incorporate, at the very least, pricing provided in the agreement between the selected firm and the other governmental entity. While such pricing shall not exceed the prices offered under any firm's government agreements, the Authority will encourage the firms to provide additional discounts to the Authority.

**7. COMPANY INFORMATION**

Respondents are also encouraged to provide additional information beyond that requested above that may be beneficial to the Authority's effort to select a Real Estate Lease Administration and Database System. Responses may include brochures, pamphlets or any pertinent literature that provide information on the Respondent's company profile as well as on the Respondent's proposed solution.

**8. LIMITATION ON PAGES IN RESPONSE**

Including all information requested herein, responses shall be limited to no more than twenty (20) letter-size pages.

**9. QUESTIONS**

Any questions by prospective respondents concerning this request shall be addressed to James Summerville at [jsummerville@panynj.gov](mailto:jsummerville@panynj.gov).

**10. CONFERENCE**

At any time after the receipt of responses, the Respondent may be asked to attend an informal discussion conference with staff of the Authority regarding further clarification of the response and/or for additional information. To facilitate the free flow and exchange of ideas and information, the Authority intends to meet with Respondents separately. The Authority will communicate the date, time and place of the conference, if any, in due course.

## 11. GENERAL

- A. Respondents should note that this RFI might be a preliminary step towards the selection of a Real Estate Lease Administration and Database System. The Authority reserves the right to conduct interviews, issue a solicitation for a bid or proposal, and seek product demonstrations.
- B. The Port Authority reserves the unqualified right in its sole and absolute discretion to choose to accept or reject any and all firms responding to this RFI either on the basis of an evaluation of the requirements listed in this RFI or for other reasons, to waive defects in the submissions and to reject all submissions and not make any selection. The Port Authority also reserves the unqualified right to request further information from any Respondent or not to proceed with a selection.
- C. Neither the expression of your organization's interest, nor the submission of your organization's qualifications and any documents or other information, nor the acceptance thereof by the Port Authority, nor any correspondence, discussions, meetings or other communications between your organization and the Port Authority, nor a determination by the Port Authority that your organization is qualified hereunder shall impose any obligation on the Port Authority. Unless and until the Port Authority finally awards a contract covering the proposed services to your organization, the Port Authority shall have no obligation to Respondents. Costs of participation or information preparation are not compensable.

**APPENDIX A**

**AGREEMENT ON TERMS OF DISCUSSION**

The Port Authority's receipt or discussion of any information (including information contained in any proposal, presentation, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Policy and Procedure adopted by the Port Authority's Board of Commissioners on November 20, 2008, which may be found on the Port Authority website at: <http://www.panynj.gov/corporate-information/pdf/Freedom-of-Information-Policy-and-Procedure.pdf>, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a proposal.

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.  
DO NOT RETYPE**

ATTACHMENT B: DATA ELEMENTS TABLE

Data Element	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
A.1 Company Name				
A.2 Description				
B.1 Department Name				
B.2 Description				
C.1 Building Type				
C.2 Building Name				
C.3 Building Number				
C.4 Year Built				
C.5 Site Acreage				
C.6 Description				
C.7 Aircraft Ramp Positions				
C.8 Air Side				
C.9 Building Rating Scale				
C.10 Linear Feet				
C.11 Office Sq. Footage				
C.12 O&M/Utility Costs				
C.13 Utility & meter measurements				
C.14 Truck Doors				
C.15 Vacancy Year				
C.16 Warehouse Sq. Footage				
C.17 Water Area				
C.18 Water Meter				
C.19 Electric Meter				
C.20 Building RSF				
C.21 Block				
C.22 Lot				
C.23 Latitude				
C.24 Longitude				
C.25 Area				
C.26 Building Stories				
C.27 Building Usage				
C.28 Electric Feed Cap				
C.29 Heat Source Type				
C.30 Map Grid ID				
D.1 Tenant Name				

D.2 Address/Mailing Address, etc.				
D.3 Phone #				
D.4 Fax #				
D.5 Email				
D.6 URL				
D.7 Business Type				
D.8 Federal Tax ID				
D.9 Tax Class				
D.10 Taxpayer Type				
D.11 State of Inc.				
E.1 Tenant Name				
E.2 Business Type				
E.3 Agreement #				
E.4 Suite/Unite #				
E.5 Suite/Unit Type				
E.6 Move out date				
E.7 Lease end date				
E.8 Lease ended due to?				
E.9 Area type				
E.10 Abatement rate				
E.11 Insurance Requirement				
E.12 Lease Commencement Date				
E.13 Rent Start Date				
E.14 Free Rent Period				
E.15 Port Authority Responsibility				
E.16 Additional Information				
E.17 Maintenance Agreement Information				
E.18 Terminal Group				
E.19 PA Rep				
E.20 Agreement Type				
E.21 Broker				
E.22 Lease Abstract Number				
E.23 Country				
E.24 Capital Investment Amount				
E.25 Description of				

Capital Investment				
E.26 Security Deposit Rec'd				
E.27 Security Deposit Amt				
E.28 Renewal Options				
F.1 Gross Sales				
F.2 Breakpoint				
F.3 Percentage Amt				
F.4 Year				
F.5 Month				
G.1 Right to Downsize				
G.2 Right to First Offer				
G.3 Right to First Refusal				
G.4 Right to Renew				
G.5 Right to Sublet				
G.6 Right to Terminate				
H.1 Electric Meter				
H.2 Meter Type				
H.3 Date Installed				
H.4 Location				
H.5 Water Meter				
H.6 Meter Type				
H.7 Date Installed				
H.8 Location				
H.9 Chilled Water				
H.10 Domestic Cold Water				
H.11 Domestic Hot Water				
H.12 HVAC				
H.13 Trash Removal				
H.14 Electric Type				
H.15 Air Tonnage				
H.16 Cleaning Type				
H.17 Condensed Water Tonnage				
H.18 Hot & Cold Water Tonnage				
H.19 Telecom/Internet				
I.1 Parcel #				
I.2 Parcel size				
I.3 Address				
I.4 City				
I.5 State				

I.6 Zip				
I.7 Block				
I.8 Lot				
I.9 Latitude				
I.10 Longitude				
I.11 General Location				
I.12 Boundary East				
I.13 Boundary West				
I.14 Boundary North				
I.15 Boundary South				
I.16 Topography				
I.17 Municipal Comm. Restrictions				
I.18 Surrounding Areas				
I.19 Relevant Information				
I.20 Improvements				
I.21 Future Plans				
I.22 Usage Description				
I.23 Comments				
I.24 Development Forecast				
I.25 Encumbrances (e.g. easements)				
I.26 How numbered				
I.27 Insurance				
J.1 Property Value				
J.2 Value Date				
J.3 Market Value				
J.4 Value Description				
K.1 Unit Name				
K.2 Unit Description				
K.3 Unit Type				
K.4 Gross Sq. Ft.				
K.5 Usable Sq. Ft.				
K.6 Plannable Sq. Ft.				
K.7 Rentable Sq. Ft.				
K.8 Lineal Ft.				
K.9 Count				
K.10 Billing Frequency				
L.1 Name				
L.2 Title				
L.3 Description				
L.4 Facility Location				
L.5 Phone				

L.6 Cell				
L.7 Emergency				
L.8 Fax				
L.9 Address				
L.10 City				
L.11 State				
L.12 Zip				
L.13 Email				
L.14 URL				
M.1 Tenant Name				
M.2 Location				
M.3 Agreement #				
M.4 Effective Date				
M.5 End Date				
M.6 Sent to Risk Mgmt				
M.7 Approved by Risk Mgmt				
M.8 Insurance Carrier Name				
M.9 Insurance Carrier Description				
M.10 Address				
M.11 City				
M.12 State				
M.13 Zip				
M.14 Insurance Notes				
N.1 Supplement Type				
N.2 Supplement Start Date				
N.3 Supplement End Date				
N.4 Supplement #				
N.5 Supplement Name				
N.6 Description				
N.7 Supplement Entry Date				

## **ATTACHMENT C: IT CONTROL REQUIREMENTS**

1. Application Controls Checklist;
2. Control Security Requirements;
3. Disaster Recovery Plan Checklist;
4. Payment Card Industry (PCI) Data Security Standard;
5. Security Administration Function;
6. Security Requirement;
7. Web Based Application Checklist

## APPLICATIONS CONTROL CHECKLIST

### General

- Overview of the application, what the function is, who uses the application, and where it is physically located.
- Documented procedures, flowcharts and processes maps.
- Physical access to the application hardware should be appropriately restricted.
- If vendor(s) support the application, a vendor contract and service level agreement (SLA) should be in place. The SLA should have provisions for uptime, performance monitoring, updates, etc.
- The application should have the Port Authority's (PA) warning banner on the login screen.
- Remote access should be restricted and documented in accordance with PA policy.
- Determine what form of output is possible through the application.

### Hardening of operating system/database that supports the application:

- Disable unnecessary ports/services.
- Remove all samples from the box.
- Change all default passwords; delete all default content and scripts.
- Limit user account access.
- Document system accounts like administrator, root, oracle, and sys.
- Document user/group access rights
  - Users/groups should be setup with the least access required to perform job responsibilities.
- Follow PA password standards (90-day expiration, lockout after 3 incorrect password attempts, concurrent logins, 6 alphanumeric characters)
- Set "automatic session timeout" to 15 minutes of inactivity and require user to log back in with a valid ID and password.
- Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
- Apply all new patches and fixes to operating system and application software for security.
- Use secure encrypted remote access methods.
- If the application is a web application, log (and monitor) web traffic and trend the activity looking for abnormal activity.
- Ensure that appropriate security and vulnerability assessment tools are running.

### License Management

- Ensure that application licensing requirements are documented, reviewed and maintained.
- Application licenses should be current/valid and individuals/groups with application access should have completed the necessary access request forms and adhere to licensing requirements.

### Logical Access Controls

- Procedures to grant/revoke access should be documented.

- Access request forms for adding/modifying/deleting users should be used.
- Ensure that security administrator procedures exist to:
  - create/remove application access in a timely manner
  - review user roles/permissions
- Validate that all users have accessed the application within the past 90 days.
  - Review dormant accounts
- Ensure that password controls for the application are consistent with PA requirements
  - Passwords must be at least 6 alphanumeric characters long
  - Passwords must be changed every 90 days
  - Passwords must not be shared
  - Session time-out after 15 minutes of inactivity
  - UserID accounts should be locked after a three logon failures.
- Password file should be securely stored with limited access and encrypted.
- Application forces initial passwords to be changed and the initial passwords should not be easily guessable.
- Each user has a unique userID.
- Should have a segregation of duties/roles.
  - Roles are setup with least access required to perform job responsibilities.

### **Application Controls**

#### **Data Validation & Input Controls**

- The application should have input controls to verify the validity of the data entered.

#### **Data Retention and Management**

- All data should be classified according to its sensitivity (confidential, etc) and protected accordingly.
- Data archive strategy should be documented and in place.
  - Should specify how long active data is kept.
- Sensitive data like credit card numbers and social security numbers should be encrypted.

#### **Application Interfaces**

- Interface file should be secured and archived.
- Reconciliation of data should be done on a batch record and totals. Detail data reconciliations should be completed on periodic basis.

#### **Processing Controls**

- Application databases/interfaces should have the necessary controls to prevent processing of inaccurate, duplicate, or unauthorized transactions and producing inaccurate outputs.
- Controls to ensure that all data is processed and accounted for should be in place.
- Rejected items should be logged, tracked and resolved in a timely manner.

### **Change Management**

- Processes and tools should be used to report, track, approve, fix, and monitor changes on the application.
- The application and all changes to the application should be tested before being put into production.
  - Documentation of approval for change and evidence of testing should be in place.

### **Application Logging, Audit Trails and Record Retention**

- Users and roles should be tracked and reviewed
  - Maintain documentation
- All failed logon attempts should be logged.
- All sensitive transactions and changes should be logged and an audit trail created.
- Audit trails should contain who made the change, when it was made, and what was changed.
- Only the security administrator should have access to change or delete these logs or audit trails.
- Audit trails should be reviewed by the business owner(s) and security administrator.

### **Management Reporting**

- Management reporting should be produced through the application.
- Transaction logs should be maintained.

### **Contingency Planning, Disaster Recovery and Backup Management**

- A Business contingency plan and a disaster recovery plan for the application should be documented.
- Plans should be tested and the outcomes of the tests (success/failure) should be documented.
- Backup copies of these plans should be stored off-site.
- Backup procedures should be documented and regular backups of the application and the application data should be stored off-site.
- Application executables should be stored off-site or in escrow.
- Application configurations should be documented and backed-up.

### **Performance Monitoring**

- Incident monitoring procedures should be documented and incidents logs should be reviewed to ensure that appropriate action is taken.
- Performance statistics should be examined and reviewed periodically by system administrators/business owner(s).
  - There should be SLA and /or requirement with the vendor for "uptime".

## **CONTROL SECURITY REQUIREMENTS**

### **System Configuration**

- Default accounts are secured, locked or removed.
- Public and Guest accounts/profiles should be secured with no access.
- Controlled use of administrative accounts.
- Limited assignment of administrative privileges and roles.
- Access violation reports.
- Audit trails for operating, application and database systems
- Not display last user who signed on.
- No use of login scripts for accounts.
- Encryption of data in storage and transmission of data via the network.
- Unnecessary services removed and/or disabled.
- Secured and approved remote access strategy.
- Data archiving in place.
- Data Retention Policy and Procedures in place.
- Requirement for user name and password.
- System timeout for inactivity set to 15 minutes.
- All default settings or passwords changed.
- Test facility which replicates the production system.
- Patching up to date. Patch Management Procedures and documentation includes testing.
- Virus software implemented and up to date.

### **Physical Protection**

- Appropriate fire suppression systems in place.
- Temperature and humidity monitoring.
- Environmental condition adequately controlled (no water, dirt, clutter) and monitored.
- Physical access secured by single authentication mechanism i.e. swipe card.
- Physical security adequate for equipment (locked cabinets).
- Security cameras installed in sensitive areas.
- Power surge protection and emergency power backup are in place.

### **Backup**

- Backup data maintained off-site.
- System backup is encrypted.
- Full system backups exist.
- Backup tapes are tested periodically.

### **Access Controls**

- Background checks are performed on all personnel.

- Account expiration for contractors and consultants
- Account password is not the same as account name
- No concurrent login capabilities
- No accounts assigned to individuals who no longer require the account
- Default accounts are locked or secured.
- Accounts never logged into are removed.
- Accounts adequately identify the user – no generic accounts.
- Accounts not used by multiple individuals
- Administrator account passwords adequately secured.
- Disabled accounts are deleted.
- No test accounts on production.
- No generic accounts.
- No excessive privileges on accounts – least privilege granted.
- Guest accounts are removed.
- Inactive accounts are removed.
- Review of profiles, access levels, privileges.
- Access reports by user and privilege.
- All user account profiles should include Employee ID number and full user name.
- Assigned Security Administrator.
- Baseline tools or security products are implemented on a quarterly basis.
- Adequate network zoning.
- Adequate performance monitoring.
- Intrusion Detection System in place.
- Secured and authorized remote access.
- Firewalls in place.
- Warning message/banner.
- No modems (dial up or wireless).

#### **Password Controls**

- Password encryption enabled.
- Password uniqueness functions enabled.
- Passwords expire every ninety days.
- Forced password change at initial log on.
- Passwords set for a minimum of six characters, combination of letters, numbers, and special characters.
- Retention of unsuccessful login attempts and length of account lockout time set to PA standards.
- Password dictionaries.
- Account lockout function enabled and set according to standards.
- Password age in compliance with PA standards.

## **Documentation / Procedures**

- Security Administration Procedures documented.
- Procedure for granting, modifying or deleting access to the system are documented.
- Access request forms authorized.
- Access request forms retained.
- Access request forms are used to assign access.
- Change Management procedures documented
- Test results documented.
- Backup, restart and recovery procedures documented.
- Disaster Recovery Plans and Business Resumption Plans documented and comprehensive.
- Documentation is current for System Manuals, Operating Instructions.
- Documentation is up to date for Firewall rule sets.
- Inventory listings of equipment and software.
- Adequate training
- Password reset procedures controlled (Help desk function).
- System Administration procedures documented.
- Data retention and archiving procedures documented.
- Roles and Responsibilities defined and documented.
- Virus Patch Management procedures documented.
- Batch and Interface Management procedures documented.
- Patch Management procedure documented.
- Escalation procedures documented.
- Incident Response procedures documented.
- Incident and Error logging/tracking.
- Topologies exist and are up to date (system/network diagrams).
- System monitoring/performance.
- Log reviews.
- Management reporting – like Access Reports, Exception transaction reporting.

## CREDIT CARD PROCESSING CHECKLIST

1. PCI Standards should be enabled and be PCI compliant to PCI Data Security Standard v1-2 (PCI Security Standards Council[version 2.0, 10/28/10) . Ensure all vendors and consultants are required to be PCI compliant.
2. A segregated network and/or an approved Point of Sale terminal should be in place for the system or terminal used to process credit card transactions.
3. The credit card processor standard and requirements should be enabled. i.e. Maintain transaction data for two years.
4. Maintain the security of the customer information, including not storing credit card numbers, the cardholder CVC/CVV numbers or any of the data from the magnetic strip on the credit card.
5. Maintain the transaction data for contesting chargebacks, ensure that the processor fees are appropriate and do reconciliations of the transactions processed and the money deposited in the Port Authority bank accounts.
6. Make Treasury (Cash Mgmt) and Comptroller's (Revenue Accounting) aware of credit card processing. Have Comptroller's fill out the Merchant form to get a Merchant ID for MasterCard/Visa, Discover and American Express.
7. Have Procurement enter into an agreement for credit card processing.
8. Create a privacy policy and procedure for staff and consultants.
9. Perform quarterly vulnerability scans of the network that contains the credit card processing, annual PCI reviews according to the PCI DSS, and annual system penetration testing.

## DISASTER RECOVERY PLAN CHECKLIST

Disaster recovery is a plan which could be executed in the event of a total disaster in order to bring the computer systems back to a functioning whole. Typically, the disaster in question is one, which destroys a complete site that requires restoration of support, particularly Information Technology support. Most commonly considered causes of disasters are fire, explosion, flooding, hurricanes and tornados. Disaster recovery planning normally involves alternate locations for major systems as well as the planning and testing of switch over measures, emergency transportation and so on.

The Disaster Recovery plan should include at a minimum the following areas.

1. Disaster Recovery
  - Manager Responsibilities
  - Plan Administration
    - Distribution of the Disaster Recovery Plan – All team members, LAN and an offsite location should have a copy of the current plan and its attachments.
    - Maintenance of the Business Impact Analysis
    - Training of the Disaster Recovery Team
    - Testing of the Disaster Recovery Plan
    - Evaluation/Review of the Disaster Recovery Plan and Tests – the DR Plan should be reviewed and the DR Test should be performed at a minimum twice a year. Update the plan to reflect changes in activities, procedures, performance, staff, and etc. Set a regular time for the review.
    - Maintenance of the Disaster Recovery Test Results – Maintain copies of the test results and what scenarios and areas of the plan were tested.
  
2. Business Impact Analysis - Minimize the impact on the business with respect to dollar losses and operational interference
  - Critical Time Frame - Recover the system and/or component of the system within the critical time frames established and accepted by the user community. This should include the time estimate of how long it would take to recover the whole system or any sub components.
  - Application System Impact Statements - This area is where a business owner decision of what areas of the system has a priority in how it is brought back into normal operation. How long could these operations be performed without computer support?
    - Essential – Are systems or components of the system that are very critical and need to be back in operation immediately because the business cannot function.
    - Delayed – Are systems that are needed but could be delayed and could not adversely effect the business process.
    - Suspended – Are system or components that are not critical and can wait until the full system is back to normal operation.

- Recovery Strategy & Approach
3. Disaster Definition – All possible interruptions should be defined, and then the steps to minimize their impact need to be documented. This includes disk array failure, power loss, loss of network, loss of wireless network, loss remote access, equipment, computer processor failures, etc.
    - Detailed Recovery Steps for each Disaster Definition - This should be the technical steps to recover the different areas of the system like the Operating system, database, application, routers, firewall, and etc.
    - Escalation Plans and Decision Points
  4. Data Center Systems – Dependencies should be notated.
    - System Components- A copy of all essential office equipment and records should be stored off-site. Specify any special computer hardware, software, databases, networks or other technology.
      - Backup Strategy
        - Storage Rotation
        - Back-up Files
        - Off Site Storage of Back-up Files
        - Back-up Files Retrieval Process, Vendor information and Forms for Off Site Storage
      - Hardware -
        - Hardware inventory for system in operation
        - Desktop Workstations (In Office)
        - Desktop Workstation location
        - Desktop Workstations (Offsite including at home users)
        - Laptops
      - Software -
        - Software inventory of the system in operation
        - Systems, Applications and Network Software
        - Communications
        - Operations
      - Off-Site Inventory
      - Supplemental Hardware/Software Inventory
  5. Escalation Plans and Decision Points
  6. Disaster Recovery Emergency Procedures

- Plan Procedure Checklist - should have a checklist of the plan procedures and area for documenting exceptions where the plan was not adhered to and what was done in its place. Disaster Recovery Procedures in a check list with approval format.
- Disaster Recovery Organization – should have the full disaster recovery team listed by position or individual and what are their responsibilities. This section of the plan should include Port Authority and PATH personnel, PA/PATH management, and all vendors that work or have responsibilities during a disaster. This area should be reviewed semi-annually for updates and changes.
  - Recovery Organization Chart
  - Disaster Recovery Team & Recovery Team Responsibilities
  - Recovery Management & Senior Manager Responsibilities
  - Damage Assessment and Salvage Team & Team Responsibilities

Problems and Changes - Need to be documented and what was done to rectify them.

Essential Position – Require back-up personnel to be assigned.

7. Pre-Disaster - What steps need to be in place prior to a disaster for this plan to work? If there are any assumptions, they should be notated here.
  - Recovery Management
  - Damage Assessment and Salvage
  - Hardware Installation
8. Contacts information - This area should be reviewed semi-annually for updates and changes.
  - Disaster Recovery Team - This should include primary and secondary phone numbers, home address, emergency contact information, and their backups information.
  - Vendor Phone/Address List – Include account information and account representative information.
  - Command Center – Primary and Alternative site locations, hot spots, phone numbers, time scheduling
9. Post-Disaster – Detail what steps need to be taken to move from disaster mode back to normal operations.

**Payment Card Industry (PCI),Data Security Standard**

See Requirements and Security Assessment Procedures, Version 2.0 (PCI Security Standards Council  
October 28, 2010)

## Security Administration Function

Responsible for:

- ◆ Establishment of access rights, groups, profiles etc. for a system or application for which they are responsible and documenting their use and definitions.
- ◆ The development of security procedures which define the granting of access and the administration of security functions of their system or application. The ongoing review and update of these security procedures.
- ◆ Responsible for the development of add/change/delete access requests forms.
- ◆ The development of procedures for changing or deleting accounts or privileges when staff leave or change assignments. Execution of these procedures in a timely manner.
- ◆ Regular review of who has access to their data and determining if it is appropriate and still required.
- ◆ Ensuring that users are required to acknowledge, in writing, that they have been informed of the organization's position on security and confidentiality of information prior to access being given.
- ◆ Assigning appropriate expiration dates for accounts used by temporary/consulting staff.
- ◆ The development of procedures for responding to, documenting and escalating security incidents.
- ◆ The investigation and appropriate escalation of a security incident matter.
- ◆ Setting any global system or application controls (i.e. password controls, time out, concurrent logins) consistent with the Standards and Guidelines for Port Authority Technology.
- ◆ Restricting remote access and monitoring and reviewing the activity log. (Limit or no use of modems. Modems should be configured according to the Standards and Guidelines as certified by the Information Systems Security Officer.)
- ◆ Development and review of reports such as Kane Security Analyst, ISS or ESM to monitor areas of security exposure.
- ◆ Daily event log reviews for irregular activities and security violations.
- ◆ Keeps management and the business unit informed on security issues.

- ◆ Development of regular processing schedules for the production of security reports i.e. unsuccessful logon attempts, audit trail reports.
- ◆ Development of procedures for reviewing the reports and logs on a regular basis and taking appropriate corrective action.
- ◆ Responsible for ensuring that the system complies with the Standards and Guidelines for Port Authority Technology.
- ◆ Determining high-risk activities, establishing logs of those activities and tables and determining appropriate review cycles.
- ◆ Ensuring that operating system, database system and application security issues are coordinated.
- ◆ Keeping abreast of vulnerabilities of systems, databases, or application as they are discovered and patching them or implementing compensation controls.
- ◆ Development of procedures for the disposal of unneeded confidential data produced from the application.
- ◆ Ensure all system hardware (i.e. servers, comm. rooms, backup tapes, etc.) and software are secured from tampering or damaging.
- ◆ Ensure that operating systems at a minimum complies with the Distributed Systems Environment in the Standards and Guidelines and industry standards.
- ◆ Document a virus protection and recovery plan.
- ◆ Firewall Administration, Firewall configuration, rules, logs, and patches
- ◆ Intrusion Detection System Administration, monitoring network traffic across the firewall and in the DMZ.
- ◆ Router and Switches Administration, configuration file, backups, patches, and change controls.

## Security Requirement

### Network architecture

- Diagram
- Router and Switch Configurations
- Firewall Configuration
- IDS Nodes and System Signatures
- Alerts and Logs
- Failover & Redundancy

### UNIX

- Administration
- Port and Services (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Redundancy / Data Replication
- System Log & Violation Logs
- Root
- Vulnerability Scanner

### Windows

- Administration
- Services and Ports (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Patches
- System Log, Audit Trails & Violation Logs
- IIS
- Administrator & Guest
- Vulnerability Scanner

### Oracle

- Administration
- Services (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Redundancy / Data Replication
- Audit Trail and Triggers
- Sys, System, Internal
- Vulnerability Scanner

### System Administration

- Batch Management & Processing
- System Monitoring (HP Open View & SNMP)
- Vulnerability Software & Baseline Tools (i.e. ISS & Tripewire)
- Patch Management (Proactive)

- Virus Management
- Instance Management
- Performance Monitoring
- Change Control - System, Application

#### Web Logic & XML

- SSL certificates (HTTPS)
- Key Generation & Management – Smart Card
- Access Rights/ Segregation of Duties
- Audit Trails & Violation Logs
- Java, SSL, Web Logic Patch Management

#### Remote Access

- Security
- Authentication and Integrity
- Blue Ridge – VPN
- IBM Mail Box
- PA Approval via TSD (MF)

#### Security Administration

- Review of Audit Trails and Violation Logs

#### Documentation

- System Administration Manuals
- Security Administration Manuals
- User Manuals

#### General

- Login Banner
- Physical Security
- System Defaults
- Authentication & Password Controls (90 day exp., 15 min. timeout, 3 attempts, concurrent logins, 6 alpha numeric)
- Escalation Procedures
- Incident Response Procedures
- Archiving
- Backup and Recovery
- Disaster Recovery (Plan & Testing)
- Business Resumption (Plan & Testing)
- Software Inventory
- Hardware Inventory
- Account Expiration for Consultants and Contractors
- Vulnerability Scanner

## Systems Administration & Operation Manual Requirements

### **General Information**

- 1) Server name
  - a) IP address
  - b) Location
  - c) Operating system – version, patch level
  - d) Database – version, patch level
  - e) Application
- 2) LDAP and Domain Controller Configuration
- 3) Diagrams
  - a) Network topology
  - b) Application flowcharts

### **System**

- 4) System Configuration
- 5) System Applications and Services
- 6) Network Time Synchronization
- 7) Patch Management
  - a) Normal and Emergency Procedures
- 8) System Schedule
  - a) System downtime
  - b) System backups
  - c) System batch processing

### **Access Controls**

- 9) Roles / Profiles (Access Control List)
  - a) List of ACLs
  - b) Creation and updates to ACL
  - c) Testing and Approval of ACL
- 10) Granting and Revoking User Access
  - a) Access Request Forms
- 11) User Accounts and Access Reports
  - a) Generating Reports
  - b) Report Distribution and Report Approvals/Reviews

### **Password Controls**

- 12) Password Configuration
  - a) Length
  - b) Alpha/numeric
  - c) Password dictionary
  - d) Password age

e) Password expiration

- 13) Account Policies
  - a) Concurrent log in
  - b) Vendor/Consultant Account Expiration (usually the length of the contract)

### **Remote Access**

- 14) Strategy/Approach
- 15) Approvals

### **Operation**

- 16) Administrator(s) roles and responsibilities
  - a) Chart or description
- 17) Startup and Shutdown Server procedures
- 18) Batch processing
  - a) Production runs – list of batch programs with schedules
- 19) Backups
  - a) Schedule – frequency
  - b) Testing of tapes
  - c) Offsite locations
    - i) When picked up
    - ii) Where stored
  - d) Tape encryption
    - i) Each tape and/or disk files should have an external label
  - e) Tape destruction – scratching and disposal of tapes
- 20) Recovery
  - a) Procedures

### **Physical**

- 21) Server Location
  - a) Site Security
  - b) Server Mounting
    - i) What is the rack configuration and who has access to the keys
  - c) Environmental Controls
    - i) Humidity and Temperature Monitoring

### **Anti-Virus Management**

- 22) Engine and Definition Management
- 23) Emergency Updates
- 24) Remote Distribution Server

### **Change Management**

- 25) Testing Environment
- 26) Normal Procedures
- 27) Emergency Procedures
- 28) Requests are documented

- 29) Specific timetables/scheduling are documented
- 30) Documented reason for request and approvals
  - a) name of requester
  - b) phone number and department
  - c) requester's signature
  - d) reason for change
  - e) List of modules that need to be changed
  - f) Supervisor's name
  - g) Supervisor's approval (changes must be approved by someone other than the requester).
- 31) Determine if priorities are assigned to the change requests.
- 32) Budget/costs are communicated to system owner.
- 33) Process used to control and monitor change requests (central repository/ tracking system).

#### **Patch Management**

- 34) Procedures
  - a) Operating System
  - b) Database
  - c) Application
- 35) Testing
- 36) Approvals
- 37) Remote Distribution

#### **Reporting and Monitoring**

- 38) System Monitoring
  - a) System Utilization and Performance
    - i) CPU
    - ii) Disk space
  - b) System Response time
- 39) System Reporting –
  - i) Report generation schedule and distribution
  - ii) Review and approval
  - a) System Performance
  - b) Audit Trails
  - c) Violation Reports

#### **Problem & Incident Management**

- 40) Problem reporting/resolution tracking system
  - a) Problems are appropriately logged and prioritized.
  - b) Corrective measures are documented.

#### **Segregation of Duties**

- 41) Developers and or Programmer have no access to the production server.
- 42) OS administrators have no access to the Production database and application.

## WEB BASED APPLICATION CHECKLIST

### Web Environment Controls

- Network Architecture:
  - Ensure firewall hides the structure of the internal network.
  - Ensure outside traffic is filtered by the external firewall, and should be allowed to access the DMZ with only those services that are required (i.e. HTTP, HTTPS, FTP)
  - Ensure that all traffic passing between the internal and external networks pass through the DMZ.
  - Intrusion Response Controls Intrusion Detection/Prevention:
    - Use intelligent IDS (intrusion detection system) or IPS (intrusion prevention system) to detect or block DoS (denial of service) attacks.
    - Prepare an intrusion response strategy and document and test policies and procedures to respond to intrusions in a timely manner and eliminate potential errors, and omissions.
- Hardening of Host/Operating System:
  - Disable unnecessary ports/services
  - Remove all sample sites from the box
  - Change all default passwords; delete all default content and scripts.
  - Limit user account access.
  - Follow PA password standards (i.e. 90-day expiration, minimum of 6 alphanumeric characters, lock account after 3 incorrect passwords)
  - Set “automatic session logout” to 15 minutes of inactivity and require user to log back in with a valid ID and password.
  - Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
  - Apply all new patches and fixes to operating system and application software for security.
  - Use secure and encrypted remote access methods.
  - Log (and monitor) web traffic and trend the activity looking for abnormal activity.
- Directory Structure for Web Server:
  - Use separate directories, partitions or disk locations for web server logs, contents, scripts and other information vs. system directories and user information. In addition, use a single directory exclusively for all programs executed as part of web server content
- Web Server Security Related Configuration Settings
  - Block an IP if there are numerous requests for the URL to prevent a possible attack. (IP scan)

### Web Site Management Issue

- Use certificates on the site. So users can confirm they are on the right site.
- A formal “content management” process (and supporting tools) should be in place to provide change controls, approvals, version controls, and security over changes to web site content to prevent unauthorized changes.

- Validate links periodically to identify dead or misdirected links for correction
- Ensure compliance with Payment Card Industry (PCI) Data Security Standard (DSS) Requirements (e.g. Visa, Master Card, etc).
- Systems monitoring should be in place for the server and other relevant devices including the use of automated systems management tools.
- Backups of the website including web server configuration files, static content files, script directories and etc. regularly.
- Secure application, logs, encryption keys, certificates and passwords on the production box. If possible move them to another secured or restrict access to administrators only.
- In the System Development Life Cycle (SDLC), ensure that there are application development and coding standards.
- Legal Issues:
  - The site should have a privacy statement and term of usage.
  - American Disability Act – Section 508 should be considered during the development process due to the requirement that federal agencies’ electronic and information technology is accessible to people with disabilities.
- Web Authentication: To prevent passwords from being passed in the clear, have authentication occur within an SSL encrypted tunnel. Use SSL (certificate) to protect the password.
- Access Controls:
  - Ensure that separation of duties occur at the two levels of access control for web applications: Functional access controls (URL –based) and Data-level access control (handled within application)
- Password Reset:
  - For internal applications, reset passwords via the helpdesk or security administrator of the site
  - Send forgotten password to known e-mail address or via customer service screens after the user has been validated for customer service application.
- Conduct regular audits, vulnerability testing, security scanners and MD5 hash comparisons of the production site. (MD5 – An algorithm that produces a checksum that is revalidated to detect any modification to sensitive hidden form fields, files, directories, etc.)
- All sensitive or confidential data (including passwords, session IDs for sensitive applications, confidential or sensitive business transactions, etc.) should be transmitted between browser and server within an SSL-encrypted session.

### **Web Application Vulnerabilities and Controls**

- Best Practice and Standards:
  - The Open Web Application Security Project (OWASP) - [www.owasp.org](http://www.owasp.org)
  - [www.webappsec.org](http://www.webappsec.org) (a consortium of web application security professionals)
  - Center for Internet Security (CIS) – [www.cisecurity.org](http://www.cisecurity.org)
- Sessions IDs:
  - Ensure sessions IDs are difficult to spoof/guess.
    - Session IDs should be long (at least 30-40 digits for secured applications) and contain alphanumeric characters

- Session IDs should be unique, random and non-predictable.
  - Session IDs should expire after a reasonable time limit (1-3 hours) or for inactivity (10-15 minutes)
- Ensure session IDs are negotiated whenever a user crosses a secured boundary (from an unsecured to a secured portion of the site)
- Ensure session IDs are transferred only within an SSL session.
- Cookies:
  - Session cookies should be assigned randomly (non-sequential).
  - Ensure that session cookies/tokens are non-persistent and are not written to a user's browser history or cache. Use a server-based session cookie/token.
  - Ensure session cookies expire and are removed from the server for elapsed time (30 minutes-2 hours) or inactivity (10-15 minutes)
  - Invalidate the session cookie/token on the server when the user logs out or leaves the site.
- Use the Post HTTP Methods to transfer information from the browser to the server.
- Preventing Hacking Reconnaissance:
  - HTTP Status Error Codes should be monitored.
  - Never use default names for directories, (e.g document root, CGI directories, etc.)
  - DNS (Domain Name Services) zone transfer – Ensure default names are changed because these are keywords hackers are searching, (e.g. "gateway", "firewall", and "proxy").
- Store User dependent Data in a Session table:
  - Whenever possible, only the session ID should be stored on the browser and sent with each request
  - All other user-specific and session-specific variables should be stored on the server in a session table.
- Perform data validation & integrity checks for field values and ensure the HTML special characters are stripped for all HTML request.
- At a minimum, applications should strip all (HTML) meta-characters (e.g. <, >, &, etc.), including OS and related SQL meta characters, from user input.
- Restrict the use of the hidden fields.
- Ensure that ID, passwords and system comments are not be included in scripts and pages.
- Ensure the application will not process SQL commands from the user browser
- Do not allow site pages to be cached by user browsers.
- Error Messages:
  - Applications should trap all specific system error messages, especially those from other infrastructure components that reveal information about the application internals.
  - Ensure that only generic messages with little to no information content should be sent to the user's browser.

**ATTACHMENT D: STANDARDS & GUIDELINES FOR PORT AUTHORITY TECHNOLOGY**

**See following pages**

# THE PORT AUTHORITY OF NY & NJ

PROCUREMENT DEPARTMENT  
2 MONTGOMERY STREET, 3<sup>RD</sup> FLOOR  
JERSEY CITY, NJ 07302

March 22, 2012

RE: Real Estate Lease Administration and Database System

To whom it may concern:

Thank you for your response to the Port Authority of New York and New Jersey's (the "Port Authority" or the "Authority") Request for Information for a Real Estate Lease Administration and Database System. The Authority is hereby requesting a response from your firm to further help us in the selection of a firm to provide, install, and maintain either a (1) web-accessible software license-based Real Estate Lease Administration and Database System (hereinafter sometimes referred to as the "System") or (2) a web-accessible subscription service to such a System.

The System will provide the Authority with a centralized database of all lease and property information pertinent to the administration and management of its unique portfolio of real estate agreements and properties. These agreements range in complexity, from right-of-entry agreements to retail leases to long-term multi-party lease and operating agreements with rent bumps, escalation, percentage rents and capital event income. Furthermore, the portfolio of properties owned by the Authority is diverse; for example, in addition to the properties highlighted in the Background Section of the Scope of Work (Attachment C), the Authority's portfolio includes remote vacant parcels adjacent to the PATH railroad tracks, unused parcels at John F. Kennedy International Airport, and developed parcels with multi-story mixed-used buildings.

The Authority will use the System to administer and manage the real estate agreement information and the properties that it owns and leases, and other properties in which it might have an interest. The System should address and match the needs of the Authority's property and real estate staff, prospective tenants, developers, and internal stakeholders.

The Scope of Work (Attachment C) describes the System's required functionality, which should be robust but easy to use. For example, the System should:

- Permit the Authority to manage and track lease terms (e.g. expiration dates, renewal dates, rent bumps and escalations, insurance certificates, notifications of defined events, and key events over the term of the lease);
- Feature document management capabilities, such as establishing folders and subfolders and tying them into documents and property and space images;
- Enable staff to perform advanced searches for clauses – e.g. assignment rights, security deposits, surrender provisions, termination, indemnity, term, etc.;
- Be able to toggle between images and document text and be capable to cutting/pasting lease clauses and terms;
- Feature mapping capabilities and permit aerial views of properties; and
- Permit data configuration/sorting to help address typical inquiries and requests, such as:

- How many leases will expire on or by a given date?
- List all surplus property in the Aviation Department.
- List all locations where a particular tenant rents space, by Department.
- Calculate the average rent per square foot at the Port Authority Bus Terminal (PABT).
- How much vacant retail space is there at the PABT?
- How much vacant warehouse space currently exists at Port Elizabeth Marine Terminal?
- What available property does the Authority own in a particular town?

## 1. BRIEF SUMMARY OF THE SCOPE OF WORK

As more fully described in the Scope of Work (Attachment C), using Commercially Available Off-the-Shelf (COTS) products, the successful firm (i.e., "Contractor") shall provide, install, and maintain either a (1) web-accessible software license-based Real Estate Lease Administration and Database System or (2) a web-accessible subscription service to such a System. The System will be used (on a 24x7 basis) as a readily accessible, comprehensive data source for all real properties, leases, and permits associated with the Authority. The Authority will use the System for the purposes of property management; lease administration; marketing, negotiating and pricing strategy; work flow; report generation; document storage and tracking; and decision-making for acquisitions, dispositions, and other property transactions.

The purpose of this Selection Process Document is to select a firm to supply either:

- A software subscription service, inclusive of software usage and software maintenance and support services, user training, software escrow, and a user acceptance test within a mutually acceptable time; or
- A software license-based system, including user training, software escrow, and a user acceptance test within a mutually acceptable time, followed by software maintenance and support services.

## 2. SUBMISSION OF RESPONSES

Firms shall email responses to James Summerville, Pr. Contracts Specialist, at [jsummerville@panynj.gov](mailto:jsummerville@panynj.gov) on or before 2:00 PM on April 9, 2012.

## 3. COMMUNICATIONS

All communications should be directed to Pr. Contracts Specialist James Summerville ([jsummerville@panynj.gov](mailto:jsummerville@panynj.gov)). All questions should be submitted in writing (by email) no later than 2:00 p.m. (EST) on March 27, 2012.

The Contracts Specialist is authorized only to direct the attention of prospective Respondents to various portions of this document so that they may read and interpret such portions themselves.

Neither the Contracts Specialist nor any other employee of the Port Authority is authorized to interpret the provisions of this document or give additional information as to its requirements. If interpretation or other information is required, it will be communicated to Respondents by written addenda and such writing shall form a part of this Selection Process Document.

## 4. RESPONSE ACCEPTANCE OR REJECTION

Acceptance shall be only by mailing to or delivering at the office designated by the Respondent in its response, a notice in writing signed by an authorized representative on behalf of the Port Authority specifically stating

that the response is accepted or by execution of an agreement covering the subject matter of this Selection Process Document signed by authorized representatives of the Port Authority and the Respondent. No other act of the Port Authority, its Commissioners, officers, agents, representatives, or employees shall constitute acceptance of a response. Rejection of a response shall be only by either (a) a notice in writing specifically stating that the response is not accepted, signed by an authorized representative of the Port Authority and mailed to or delivered to the respondent at the office designated in the response, or (b) omission of the Port Authority to accept the response within 180 days after the Response Due Date. No other act of the Port Authority, its Commissioners, officers, agents, representatives or employees shall constitute rejection of a response.

## **5. UNION JURISDICTION**

Respondents are advised to ascertain whether any union now represented or not represented at any facility will claim jurisdiction over any aspect of the operations to be performed hereunder and their attention is directed to the Section of this Selection Process Document entitled "Harmony" included in the "General Contract Provisions" (Attachment B, Section 45) hereunder

## **6. CITY PAYROLL TAX**

Respondent should be aware of the payroll tax imposed by the:

- City of Newark, New Jersey for services performed in Newark, New Jersey;
- City of New York, New York for services performed in New York, New York; and
- City of Yonkers, New York for services performed in Yonkers, New York.

These taxes, if applicable, are the sole responsibility of the Contractor. Respondents should consult their tax advisors as to the effect, if any, of these taxes. The Port Authority provides this notice for informational purposes only and is not responsible for either the imposition or administration of such taxes. The Port Authority exemption set forth in the Paragraph entitled "Tax Exemptions", in the "General Contract Provisions" (Attachment B, Section 23) included herein, does not apply to these taxes.

## **7. ADDITIONAL RESPONDENT INFORMATION**

Prospective Respondents are advised that additional vendor information, including, but not limited to forms, documents and other information, including M/WBE Participation Plan Submission Forms and protest procedures, may be found on the Port Authority website at:

<http://www.panynj.gov/business-opportunities/become-vendor.html>

## **8. CONTRACTOR STAFF BACKGROUND SCREENING**

The Contractor awarded this Contract may be required to have its staff, and any subcontractor's staff working under this Contract, authorize the Authority or its designee to perform background checks. Such authorization shall be in a form acceptable to the Authority. The Contractor (and subcontractor) may also be required to use an organization designated by the Authority to perform the background checks. The cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Contractor (and its subcontractors) as an out-of-pocket expense as provided herein. Staff that are rejected a credential, for any reason, are not reimbursable.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening, except as otherwise required by federal law and/or regulation. Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877) 522-7922.

## 9. SCOPE OF WORK

The full Scope of Work is set forth in detail in Attachment C.

## 10. RESPONDENT PREREQUISITES

Only Respondents that can demonstrate that they comply with the following prerequisites should submit responses, as only responses from such Respondents will be considered:

1. The Respondent's proposed System shall be in use by at least one other governmental entity in the United States. Examples of governmental entities include the State of New York, the State of New Jersey, New York City, and the U.S. General Services Administration (GSA), as well as other State, Local, and Public municipalities and agencies.

The Respondent shall have provided, installed, and continue to maintain, its proposed System to such governmental entity. The contract between the Respondent and the other governmental entity must be active (i.e. not expired).

2. The Respondent shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its response as a business actually engaged in providing real estate property systems to commercial and industrial accounts under contract.

The Respondent may fulfill this prerequisite if it can demonstrate that the person(s) or entity(ies) owning and controlling the Respondent have had a cumulative total of at least the same number of years of experience in the provision of similar services immediately prior to the submission of its response or has owned and controlled other entities that meet the requirement;

3. The Respondent shall demonstrate that it has earned gross revenues of at least \$5 Million for the last calendar year or fiscal year for the type of services described herein.

Respondents shall use Attachment F (Reference Information for Respondent Prerequisites), which requests reference information, to demonstrate satisfaction of these prerequisites

## 11. FINANCIAL INFORMATION

The Respondent will be required to demonstrate that it is financially capable of performing the contract resulting from this Selection Process Document ("Contract"). The determination of the Respondent's financial qualifications and ability to perform this Contract will be in the sole discretion of the Port Authority. The Respondent shall submit, with its response, the following:

A. (1) Certified financial statements, including applicable notes, reflecting the Respondent's assets, liabilities, net worth, revenues, expenses, profit or loss and cash flow for the most recent year or the Respondent's most recent fiscal year.

(2) Where the certified financial statements in (1) above are not available, then reviewed statements from an independent accountant setting forth the aforementioned information shall be provided.

B. A statement of work which the Respondent has on hand, including any work on which a bid and/or response has been submitted, containing a description of the work, the annual dollar value, the location by City and State, the current percentage of completion, the expected date for completion, and the name of an individual most familiar with the Respondent's work on these jobs.

C. The name and address of the Respondent's banking institution, chief banking representative handling the Respondent's account, the Respondent's Federal Employer Identification Number (i.e., the number assigned to firms by the Federal Government for tax purposes), the Respondent's Dun and Bradstreet number, if any, the name of any credit service to which the Respondent furnished information and the number, if any, assigned by such service to the Respondent's account.

## **12. EVALUATION CRITERIA AND RANKING**

All responses will be reviewed by the Port Authority to determine if they adhere to the format required in this Selection Process Document, if they contain all required submissions and if the Respondent satisfies the prerequisites required for submission of a Response. For Responses meeting such requirements, the Authority will evaluate them according to the following criteria:

- A. The overall cost provided by the Respondent in the Price Forms (Attachment G).
- B. The functionality of the proposed System, including:
  - Its ability to meet the requirements of the Scope of Work with no or minimal configuration;
  - Its ease of use;
  - Its ability to interface with SAP and other systems utilized by the Port Authority;
  - The degree to which it uses open standards, is in general release on the recommended technology platform at clients of comparable size to the Authority and the degree to which the Respondent maintains effective partnerships with other technology vendors; and
  - The extent to which the proposed System satisfies the support and ongoing service needs of the Authority.
  - The extent and ease to which the COTS product can be expanded; e.g. the technical capability for a system administrator to easily add a new column to a database table.
- C. The Respondent's management and project plan, including:
  - The demonstrated understanding of the Authority's requirements and objectives;
  - Effectively demonstrating how the Respondent will meet the Authority's accelerated project schedule (assume a 6- to 12-month implementation);
  - Quality of response and supporting materials;
  - Respondent profile, financial strength and stability.
  - Experience and qualifications of the project team to be assigned to implement, configure (if necessary) and maintain the System and to train the users;
  - Experience in providing warranty and ongoing maintenance support;
  - Quality of M/WBE plan.
  - Degree of exceptions taken to the General Contract Provisions (Attachment B).

## **13. M/WBE SUBCONTRACTING PROVISIONS**

The Port Authority has a long-standing practice of making its business opportunities available to Minority Business Enterprises (MBEs) and Women-Owned Businesses (WBEs) and has taken affirmative steps to encourage such firms to seek business opportunities with the Port Authority. The successful Respondent will use good faith efforts to provide for meaningful participation by the Port Authority certified M/WBEs as defined in this document, in the purchasing and subcontracting opportunities associated with this contract, including purchase of equipment, supplies and labor services.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least

51% of the stock of which is owned by one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- a. Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- b. Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- c. Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- d. Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- The principal place of business must be located in New York or New Jersey;
- The firm must have been in business for at least three years with activity; and
- Average gross income limitations by industry as established by the Port Authority.

Women Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent or resident aliens.

The Contractor shall use good faith efforts to achieve participation equivalent to 12% of the total Contract price for MBEs and 5% of the total Contract price for WBEs.

Good faith efforts to include participation by M/WBEs shall include, but not be limited to the following:

- a) Dividing the services and materials to be procured into small portions, where feasible.
- b) Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c) Soliciting services and materials, to be procured, from the Directory of MBEs/WBEs. The Authority has a list of certified MBE/WBE service firms which is available to you at <http://www.panynj.gov/business-opportunities/supplier-diversity.html>.
- d) Ensuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.
- e) Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Respondents are directed to use form PA3749B as the recording mechanism for the M/WBE participation Plan, which can be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>

The M/WBE Plan submitted by the Contractor to the Port Authority shall contain, at a minimum, the following:

- Identification of M/WBE's: Provide the names and addresses of all M/WBEs included in the Plan. If none are identified, describe the process for selecting participant firms in order to achieve the good faith goals under this Contract.
- Level of Participation: Indicate the percentage of M/WBE participation expected to be achieved with the arrangement described in the Plan.
- Scope of Work: Describe the specific scope of work the M/WBE's will perform.

- **Previous M/WBE Participation:** Describe any previous or current M/WBE participation, which the Respondent has utilized in the performance of its contracts.

All M/WBE subcontractors listed on the M/WBE Participation Plan must be certified by the Port Authority in order for the Contractor to receive credit toward the M/WBE goals set forth in this Contract. Please go to <http://www.panynj.gov/business-opportunities/supplier-diversity.html> to search for M/WBEs by a particular commodity or service. The Port Authority makes no representation as to the financial responsibility of such firms or their ability to perform Work under this Contract.

Respondents shall include their M/WBE Participation Plan with their responses, to be reviewed and approved by the Authority's Office of Business Diversity and Civil Rights (OBDCR).

Respondents may request a waiver of the M/WBE participation goals set forth in this Contract by providing with its response, information in accordance with this provision and the provision entitled "M/WBE Good Faith Participation" in the Standard Terms and Conditions of this Contract.

If the Contractor wishes to subcontract a portion of the Work through a firm not listed in the Directory, but which the Contractor believes should be eligible because it is (1) an M/WBE, as defined above and (2) competent to perform portions of the Work, the Contractor shall submit an M/WBE Uniform Certification Application to the Port Authority of New York and New Jersey, Office of Business Diversity and Civil Rights (OBDCR), 233 Park Avenue South, 4<sup>th</sup> Floor, New York, NY 10003. The application is available online at <http://www.panynj.gov/business-opportunities/sd-become-certified.html>. In addition, to update your certification file and to advise OBDCR of changes to any information, please email these changes to [OBJOcert@panynj.gov](mailto:OBJOcert@panynj.gov). Credit toward applicable goals will be granted only to Port Authority certified vendors. For more information about M/WBE Programs, call (212) 435-7819.

#### **14. RESPONSE SUBMISSION REQUIREMENTS**

In order to expedite the evaluation of responses, the Respondent's response to this Selection Process Document shall follow the format and order of items, using the same paragraph identifiers, as set forth below:

##### **A. Letter of Transmittal**

The Respondent shall submit a letter on its letterhead, signed by an authorized representative, stating its experience and qualifications in meeting the requirements of this Selection Process Document. This letter shall include a statement on whether the Respondent is submitting a response as a single entity, a joint venture, or is partnering with another firm in a prime/subcontracting relationship. In all cases, information required for a single entity is required for each participant in a joint venture.

The Letter of Transmittal shall contain:

- Name, physical address, and URL address of the Respondent and an original signature on the Letter of Transmittal by an authorized representative on behalf of the Respondent;
- Name(s), title(s), email addresses and telephone number(s) of the individual(s) who are authorized to negotiate and execute the Contract;
- Name, title, email address and telephone number of two contact persons (primary & backup) to which the Port Authority can address questions or issues related to this Selection Process Document;
- Name and address of proposed subcontractors, if any;
- If a corporation: (a) a statement of the names and residences of its officers, and (b) a copy of its Certificate of Incorporation, with a written declaration signed by the secretary of the corporation,

with the corporate seal affixed thereto, that the copy furnished is a true copy of the Certificate of Incorporation as of the date of the opening of the Responses;

- If a partnership: a statement of the names and residences of its principal officers, indicating which are general and which are special partners;
- If an individual: a statement of residence;
- If a joint venture: information on each of the parties consistent with the information requested above; if the Contract is awarded to a common law joint venture (a partnership of business entities) each member will be jointly and severally liable under the Contract.

#### **B. Executive Summary**

The Respondent shall submit a summary presenting the major features of its response and how the response satisfies the requirements contained in this Selection Process Document, as well as the special competencies and expertise of the Respondent to meet the requirements of this Selection Process Document. Such summary shall not exceed two (2) 8.5 x 11 pages.

#### **C. Agreement on Terms of Discussion**

The Respondent shall submit a copy of the "Agreement on Terms of Discussion," signed by an authorized representative of the Respondent, which is included as Attachment A and shall be submitted by the Respondent without any alterations or deviations. Any Respondent who fails to sign the Port Authority's "Agreement on Terms of Discussion" will not have its response reviewed. If the Respondent is a joint venture, an authorized representative of each party must sign the Agreement.

#### **D. Certifications With Respect to the Contractor's Integrity Provisions**

The Respondent, by signing the Letter of Transmittal, makes the certifications in the "Contractor's Integrity Provisions," included as Section 37 of Attachment B to this Selection Process Document. If the Respondent cannot make any such certifications, it shall enclose an explanation of that inability ("Certification Statement").

#### **E. Documentation of Respondent Prerequisites**

Using Attachment D, the Respondent shall submit documentation to demonstrate that it meets all prerequisites included herein.

#### **F. Response:**

**NOTE: EXCLUDING THE SIGNED AGREEMENT ON TERMS OF DISCUSSION (ATTACHMENT A), THE COST RESPONSE (ATTACHMENT G), THE REQUESTED SOFTWARE LICENSE AND ESCROW AGREEMENT, THE EXECUTIVE SUMMARY, THE LETTER OF TRANSMITTAL, AND THE COMPLETED DATA ELEMENTS TABLE (ATTACHMENT D), RESPONSES SHALL NOT EXCEED 50 LETTER-SIZE PAGES.**

1. Cost Response: Using Attachment G hereof, the Respondent shall submit a cost response responding to the Scope of Work (Attachment C). As a baseline, the proposed pricing shall not exceed the pricing provided under the contract between the Respondent and the other governmental entity identified in the Price Forms. **While the proposed pricing shall not exceed the prices offered in the identified government contract, the Authority encourages the Respondent to provide additional discounts to the Authority.**

Furthermore, if the Respondent is able to provide both a subscription service and a software license-based system, the Respondent shall, using the formats provided in Attachment G, submit cost responses for both options.

2. Technical Response: Using the Paragraph Identifiers listed In Attachment C (Scope of Work or "SOW"), the Respondent shall describe in detail the functionality of the proposed System and its approach to satisfying the requirements of the Scope of Work. In addition to describing how the proposed System satisfies the requirements of the SOW, the technical response shall also include:
  - A. The completed Data Elements Table (Attachment D). For the data elements requiring System configuration, the Respondent shall provide an explanation on the nature and extent of such configuration;
  - B. A description of the Respondent's ability to provide either a subscription service or a software licensed-based System, or both. If the Respondent is able to provide both options, the Respondent shall:
    - Provide a succinct comparative analysis of each option (subscription service vs. software license-based System), highlighting the benefits, concerns, and assumptions of each option (e.g. security, maintenance and ongoing support, acquisition of software/hardware to implement the proposed System, short-term vs. long-term costs; etc.).

For both options, the Respondent shall provide a comprehensive list of all hardware/software necessary for the Authority to purchase (for a software license-based system) or the Respondent to purchase (for a software subscription based system), and the corresponding cost to purchase such items; and
    - Based on the requirements of this Selection Process Document and (identified) industry-best practices, recommend an approach (subscription service or software license-based system) that the Respondent thinks best meets the Authority's needs, as stated herein.
  - C. A System Implementation Plan: The Response shall include a detailed implementation plan for the tasks described in the Deliverables Section of the SOW, with each task itemized in number of hours and weeks it will take for completion. Implementation will necessarily include data migration, cleansing and conversion. In this Section, the Respondent shall also identify how it will address the requirements to populate the proposed System with non-electronic data (e.g. paper documents).
  - D. A description (confirmation) on how the System complies with the IT Controls Checklist (Attachment H), Standards & Guidelines for Port Authority Technology (Attachment J), and the Port Authority Information Security Handbook (<http://www.panynj.gov/business-opportunities/pdf/Corporate-Information-Security-Handbook.pdf>);
  - E. A description of the security provided by the Respondent, including any certifications it possesses (e.g. SSAE No. 16); and
  - F. For a license-based System: Confirmation that the Respondent and proposed System complies with the Technical Requirements (Attachment E).

3. Maintenance Plan: The Respondent shall include its plan to maintain the System at the Availability specified in the SOW, including the provision of all software fixes, updates, patches and new releases, and to provide corrective and preventive maintenance.
4. Management Plan: The Respondent shall describe in detail its experience in delivering real estate property systems and the proposed technology, and its approach to the Management of the Work described in SOW. The Respondent shall describe its management structure and proposed staffing for fulfilling the requirements of the SOW, and include resumes (of the project/engagement manager and key technical staff) and other supporting documentation demonstrating its ability to perform and manage the work.

If the Respondent is an integrator that will provide, install, configure (if necessary) and maintain the proposed System that is manufactured by another firm, the Respondent shall describe its relationship to the manufacturer, especially as it relates to performing the requirements stated in this Selection Process Document.

5. Training Plan: The Respondent shall describe the its plan to provide training according to the requirements specified in the SOW. Moreover, the Training Plan shall:
  - o Describe pre-go-live and ongoing training;
  - o Identify the categories of Authority personnel (e.g. operations, administrative, supervisory) requiring training;
  - o Describe the training curriculum per personnel category. This section should also describe the curriculum for the warranty and maintenance periods;
  - o Identify the skill sets that each person within such categories must have prior to receiving such training;
  - o Identify the amount of training days needed by each category of personnel.
6. Software License and Escrow Agreements: The Respondent shall provide copies of all software license and escrow agreements for the proposed System.

#### **G. Acknowledgment of Addenda**

If any Addenda are posted or sent as part of this Selection Process Document, the Respondent shall complete, sign and include with its Response the addenda form(s). In the event any Respondent fails to conform to these instructions, its response will nevertheless be construed as though the Addenda had been acknowledged.

#### **H. Acceptance of General Contract Provisions**

The Port Authority has attached to this Selection Process Document as **Attachment B**, "General Contract Provisions" governing the Contract. **The Respondent is expected to agree with these General Contract Provisions.** However, if the Respondent has any specific exceptions, such exceptions should be set forth in a separate letter included with its response to this Selection Process Document. After the Response Due Date, the Respondent will be precluded from raising any exceptions unless such exceptions are justified by and directly related to substantive changes in the business or technical requirements and are agreed to by the Respondent and the Port Authority.

#### **I. M/WBE Plan**

The Respondent shall submit an M/WBE Plan in accordance with the M/WBE Subcontracting Provisions hereunder

## **15. CONDITIONS FOR THE SUBMISSION OF A RESPONSE**

In addition to all other requirements of this Selection Process Document, the Respondent agrees to the following conditions for the submission of its response.

### **A. Changes to this Selection Process Document**

At any time, in its sole discretion, the Port Authority may by written addenda, modify, correct, amend, cancel and/or reissue this Selection Process Document. If an addendum is issued prior to the date responses are due, it will be provided to all parties to whom Selection Process Document were provided. If an addendum is issued after responses have been received, the addendum will be provided only to those whose responses remain under consideration at such time.

### **B. Response Preparation Costs**

The Port Authority shall not be liable for any costs incurred by the Respondent in the preparation, submittal, presentation, or revision of its response, or in any other aspect of the Respondent's pre-contract activity. No Respondent is entitled to any compensation except under an agreement for performance of services signed by an authorized representative of the Port Authority and the Respondent.

### **C. Disclosure of Response Contents / Use of Ideas and Materials**

Response information is not generally considered confidential or proprietary. All information contained in the response is subject to the "Agreement on Terms of Discussion" attached hereto as Attachment A.

### **D. Ownership of Submitted Materials**

All materials submitted in response to or in connection with this Selection Process Document shall become the property of the Port Authority. Selection or rejection of a Response shall not affect this right.

### **E. Subcontractors**

If a Respondent intends to use subcontractor(s) the Respondent must identify in its response the names of the subcontractor(s) and the portions of the work the subcontractor(s) will perform.

### **F. Conflict of Interest**

If the Respondent or any employee, agent or subcontractor of the Respondent may have a possible conflict of interest, or may give the appearance of a possible conflict of interest, the Respondent shall include in its response a statement indicating the nature of the conflict. The Port Authority reserves the right to disqualify the Respondent if, in its sole discretion, any interest disclosed from any source could create a conflict of interest or give the appearance of a conflict of interest. The Port Authority's determination regarding any questions of conflict of interest shall be final.

### **G. Authorized Signature**

Responses must be signed by an authorized corporate officer (e.g., President or Vice President), General Partner, or such other individual authorized to bind the Respondent to the provisions of its response and this Selection Process Document.

#### **H. References**

The Port Authority may consult any reference familiar with the Respondent regarding its current or prior operations and projects, financial resources, reputation, performance, or other matters. Submission of a response shall constitute permission by the Respondent for the Port Authority to make such inquiries and authorization to third parties to respond thereto.

#### **I. Evaluation Procedures and Negotiation**

Only Respondents that meet the prerequisites may have their responses evaluated based on the evaluation criteria set forth in this Selection Process Document. The Port Authority may use such procedures that it deems appropriate to evaluate such responses. The Port Authority may elect to initiate contract negotiations with one or more Respondents including negotiation of costs/price(s) and any other term or condition, including modifying any requirement of this Selection Process Document. The option of whether or not to initiate contract negotiations rests solely with the Port Authority.

#### **J. Taxes and Costs**

Purchases of services and tangible personal property by the Port Authority in the States of New York and New Jersey are generally exempt from state and local sales and compensating use taxes, and from most federal excises (Taxes). All costs associated with the Contract must reflect this exemption and be stated in U.S. currency.

#### **K. Most Advantageous Response/No Obligation to Award**

The Port Authority reserves the right to award the Contract to a Respondent other than the Respondent proposing the lowest price. The Contract will be awarded to the Respondent whose response the Port Authority believes, in its sole discretion, will be the most advantageous to the Port Authority. Neither the release of this Selection Process Document nor the acceptance of any response thereto shall compel the Port Authority to accept any response. The Port Authority shall not be obligated in any manner whatsoever to any Respondent until a response is accepted by the Port Authority in the manner provided in the Section of this Selection Process Document entitled "Response Acceptance or Rejection."

#### **L. Multiple Contract Awards**

The Port Authority reserves the right to award multiple Contracts for the products, work and/or services that are the subject matter of this Selection Process Document and Respondents are hereby given notice that they may not be the Port Authority's only contractor for such products, work and/or services.

#### **M. Right to Extend Contract**

If this is a response for a contract for a term of years, including specified options for renewal, the Port Authority reserves the additional right to extend the contract term for an additional 120 days, upon the same terms and conditions of the original Contract negotiated between the Port Authority and the successful Respondent.

#### **N. Rights of the Port Authority**

The Port Authority reserves all its rights at law and equity with respect to this Selection Process Document including, but not limited to, the unqualified right, at any time and in its sole discretion, to change or modify this Selection Process Document, to reject any and all responses, to waive defects or

irregularities in responses received, to seek clarification of responses, to request additional information, to request any or all Respondents to make a presentation, to undertake discussions and modifications with one or more Respondents, or to negotiate an agreement with any Respondent or third person who, at any time, subsequent to the deadline for submissions to this Selection Process Document, may express an interest in the subject matter hereof, to terminate further participation in the response process by a Respondent or to proceed with any response or modified response, which in its judgment will, under all circumstances, best serve the Port Authority's interest. The Port Authority may, but shall not be obliged to, consider incomplete responses or to request or accept additional material or information. The holding of any discussions with any Respondent shall not constitute acceptance of a response, and a response may be accepted with or without discussions.

No Respondent shall have any rights against the Port Authority arising from the contents of this Selection Process Document, the receipt of responses, or the incorporation in or rejection of information contained in any response or in any other document. The Port Authority makes no representations, warranties, or guarantees that the information contained herein, or in any addenda hereto, 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 Respondent, by submitting its response, 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 directors, officers, agents, representatives, or employees, oral or in writing, shall impair or limit the effect of the warranties of the Respondent required by this Selection Process Document or Contract and the Respondent agrees that it shall not hold the Port Authority liable or responsible therefor in any manner whatsoever.

At any time and from time to time after the opening of the responses, the Port Authority may give oral or written notice to one or more Respondents to furnish additional information relating to its response and/or qualifications to perform the services contained in this Selection Process Document, or to meet with designated representatives of the Port Authority. The giving of such notice shall not be construed as an acceptance of a response. Information shall be submitted within three (3) calendar days after the Port Authority's request unless a shorter or longer time is specified therein.

#### **O. NO PERSONAL LIABILITY**

Neither the Directors of PATH, Commissioners of the Port Authority, nor any of them, nor any officer, agent or employee thereof shall be charged personally with any liability by a Respondent or another or held liable to a Respondent or another under any term or provision of this Selection Process Document or any statements made herein or because of the submission or attempted submission of a response or other response hereto or otherwise.

**ATTACHMENT A: AGREEMENT ON TERMS OF DISCUSSION**

The Port Authority's receipt or discussion of any information (including information contained in any response, presentation, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this Agreement on Terms of Discussion ("Agreement"), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority's Freedom of Information Policy and Procedure adopted by the Port Authority's Board of Commissioners on November 20, 2008, which may be found on the Port Authority website at: <http://www.panynj.gov/corporate-information/pdf/Freedom-of-Information-Policy-and-Procedure.pdf>, not to disclose to any competitor of the undersigned, information submitted which are trade secrets or is maintained for the regulation or supervision of commercial enterprise which, if disclosed, would cause substantial injury to the competitive position of the enterprise, and which information is identified by the Respondent as proprietary, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a response.

\_\_\_\_\_  
(Company)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

**ORIGINAL AND PHOTOCOPIES OF THIS PAGE ONLY.  
DO NOT RETYPE.**

## **ATTACHMENT B: GENERAL CONTRACT PROVISIONS**

### **1. GENERAL AGREEMENT**

The undersigned (hereinafter referred to as the "Contractor" or "you") agrees to provide, and The Port Authority of New York and New Jersey (hereinafter referred to as the "Authority" or the "Port Authority") agrees to accept the Contractor's Real Estate Lease Administration and Database System, as more fully set forth in the Scope of Work (Attachment C) attached hereto and made a part hereof. The Scope of Work requires the doing of all things necessary or proper for or incidental to the requirements as set forth in the Scope of Work. All things not expressly mentioned in the Scope of Work but involved in carrying out their intent are required by the Scope of Work and the Contractor shall perform the same as though they were specifically mentioned, described and delineated.

Subject only to the provisions of the clause herein entitled "Extra Work", the Contractor's sole compensation in full consideration for the performance of all the Contractor's obligations under this Contract.

For a Software License-Based System: The Contractor agrees to provide and the Authority agrees to purchase Software Licensing, Maintenance and Support Services for the Real Estate Lease Administration and Database System, all as more fully set forth in the Scope of Work attached hereto and made a part hereof.

The Maintenance and Support Services as provided for on the Contractor's Price Sheet (Attachment G) shall be deemed to include reimbursement for all expenses incurred by the Contractor in connection with this Contract as well as maintenance for all software products included in the Real Estate Lease Administration and Database System required during Maintenance and Support Services. There shall be no separate reimbursement for expenses. The Contractor agrees to provide, and the Authority agrees to purchase Software Licensing, plus Maintenance and Support Services, all as more fully set forth in the Scope of Work attached hereto and made a part hereof. The Scope of Work requires the doing of all things necessary or proper for or incidental to the requirements as set forth in the Scope of Work but involved in carrying out their intent are required by the Scope of Work and the Contractor shall perform the same as though they were specifically mentioned, described or delineated.

OR

For a Software Subscription-Based System: The Contractor agrees to provide, and the Authority agrees to purchase a Software Subscription and related Support Services for the Real Estate Lease Administration and Database System, all as more fully set forth in the Scope of Work attached hereto and made a part hereof.

### **2. DEFINITIONS**

As used herein, "Director" shall mean the Chief of the Real Estate Department of the Authority acting either personally or through his duly authorized representatives acting within the scope of the particular authority vested in them unless specifically stated to mean acting personally. For the purpose of administering this Contract, the Director has designated the Assistant Director of the Real Estate Department to act as his duly authorized representative and as Contract Manager.

For the purposes of this Contract, the Contract Manager (sometimes referred to herein as the "Manager") shall be the individual with day-to-day responsibility for managing the services on behalf of the Port

Authority. The Director may modify this designation in a writing forwarded to the Contractor at the address designated for delivery of notice herein.

As used herein, the term "days" or "calendar days" in reference to a period of time shall mean consecutive calendar days, Saturdays, Sundays, and holidays included.

"Facility" shall mean Port Authority Facilities within the Port District.

"Services" or "Work" - shall mean all services, equipment and materials (including materials and equipment, if any, furnished by the Authority) and other facilities and all other things necessary or proper for, or incidental to the services to be performed or goods to be furnished in connection with the service to be provided hereunder, as set forth in the Scope of Work.

As used herein, the term "Work Day" shall mean a day between Monday and Friday with Monday and Friday included, and Holidays excluded.

As used herein the term "Specifications" shall mean all requirements of this Selection Process Document, technical and otherwise, for the performance of the Scope of Work and services hereunder.

Holidays: The following legal holidays will be observed at Port Authority offices and facilities:

New Year's Day	Columbus Day
Martin Luther King, Jr. Day	Veterans Day
Presidents' Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

As used herein, the terms "Port Authority" or "Authority" shall mean The Port Authority of New York and New Jersey.

Minority Business Enterprise (MBE) - shall mean a business entity which is at least 51% owned and controlled by one or more members of one or more minority groups, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more members of one or more minority groups, and whose management and daily business operations are controlled by one or more such individuals who are citizens or permanent resident aliens.

"Minority Group" means any of the following racial or ethnic groups:

- Black persons having origins in any of the Black African racial groups not of Hispanic origin;
- Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American culture or origin, regardless of race;
- Asian and Pacific Islander persons having origins in any of the original peoples of the Far East, Southeast Asia, The Indian Subcontinent, or the Pacific Islands;
- Native American or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification.

Small Business Enterprise (SBE) - The criteria for a Small Business Enterprise are:

- The principal place of business must be located in New York or New Jersey;
- The firm must have been in business for at least three years with activity; and
- Average gross income limitations by industry as established by the Port Authority.

Women-Owned Business Enterprise (WBE) - shall mean a business enterprise which is at least 51% owned by one or more women, or, in the case of a publicly held corporation, at least 51% of the stock of which is owned by one or more women and whose management and daily business operations are controlled by one or more women who are citizens or permanent resident aliens.

Subcontractor - shall mean anyone who performs work (other than or in addition to the furnishing of materials, plant or equipment) in connection with the services to be provided hereunder, directly or indirectly for or on behalf of the Contractor (and whether or not in privity of contract with the Contractor), but shall not include any person who furnished merely its own personal labor or its own personal services. "Subcontractor", however, shall exclude the Contractor or any subsidiary or parent of the Contractor or any person, firm or corporation which has a substantial interest in the Contractor or in which the Contractor or the parent or the subsidiary of the Contractor, or an officer or principal of the Contractor or of the parent of the subsidiary of the Contractor has a substantial interest, provided, however, that for the purpose of the clause hereof entitled "Assignments and Subcontracts" the exclusion in this paragraph shall not apply to anyone but the Contractor itself.

### **3. GENERAL PROVISIONS**

- A. Under no circumstances shall you or your subcontractors communicate in any way with any department, board, agency, commission, or other organization or any person whether governmental or private in connection with the services to be performed hereunder except upon prior written approval and instructions of the Director, provided, however, that data from manufacturers and suppliers of materials, devices and equipment shall be obtained by you when you find such data necessary unless otherwise instructed by the Authority.
- B. Any services performed for the benefit of the Authority at any time by you or on your behalf, even if expressly and duly authorized by the Authority, shall be deemed to be rendered under and subject to this Contract (unless referable to another expressly written, duly executed contract by the same parties), whether such additional services are performed prior to, during or subsequent to the services described herein, and no rights or obligations shall arise out of such additional services except as provided under this Contract.
- C. The Contractor shall observe and obey (and compel its officers, employees, guests, invitees, and those doing business with it, to observe and obey) the rules and regulations of the Port Authority now in effect, and such further rules and regulations which may from time to time during the effective period of this Contract, be promulgated by the Port Authority for reasons of safety, health, preservation of property, or maintenance of a good and orderly appearance of the Facilities, or for the safe and efficient operation of the Facilities. The Port Authority agrees that, except in cases of emergency, it shall give notice to the Contractor of every rule and regulation hereafter adopted by it.
- D. This Contract does not constitute the Contractor as an agent or representative of the Port Authority for any purpose whatsoever. The Contractor shall perform all services hereunder as an independent Contractor and the Contractor, its officers, and employees shall not be deemed to be agents, servants, or employees of the Port Authority.

### **4. DURATION**

This Contract shall commence on or about July 1, 2012, and shall remain in effect for a period of five (5) years (hereinafter the "Base Term") after the one-year warranty provided upon operational acceptance of the System by the Authority, unless otherwise terminated in accordance with the provisions hereof. The Authority shall have the right to extend this Contract for up to two (2) additional three-year periods by written notice to the Contractor at least thirty (30) days prior to the expiration of the Base Term or the expiration of the option period, if applicable.

The Authority shall also have the right to extend this Contract for an additional 120 day period, from the date originally fixed for expiration of the Base Term or any option period then in effect upon the same terms and conditions except as set forth elsewhere in this Contract, to be effected by written notice to the Contractor received no later than thirty (30) days prior to the expiration date of the Base Term or the expiration date of the option period, if applicable.

All Contract prices for services and for extra work labor shall be applicable throughout the duration of the Contract.

The amounts payable to the Contractor during any 120-day Extension Period shall be the same as the amounts payable in the immediately preceding period.

#### **5. EXTRA WORK**

Except as specifically hereinafter provided in this numbered clause, the Contractor shall immediately supply such modified or additional products and services as the Authority may direct ("Extra Work"). If such changes or additions are without fault on its part, or on the part of others performing on behalf of the Contractor whether or not in privity of contract with the Contractor, and if solely as a result thereof, the Contractor incurs additional costs in the performance of its obligations hereunder, the Contractor may request compensation for such changes or additions in addition to the compensation provided for elsewhere herein. Agreement by the Authority, if such is forthcoming, shall be in writing. The execution of the aforementioned written agreement shall be a condition precedent to payment of any additional compensation for changes or additions. Accordingly, if the Authority directs the Contractor to make any change in or addition to products or services which entitle him to compensation in addition to that provided for elsewhere herein, he shall not proceed with such changes or additions prior to execution of the aforementioned written agreement except as set forth in the clause hereof entitled "Compensation for Extra Work".

If, as a result of any changes in or additions to the products or services the Authority directs the Contractor to make, the costs of performance of its obligations hereunder are decreased, the parties agree to make such adjustments by way of reduction in the compensation provided for elsewhere herein as they may deem equitable and reasonable and, in making such adjustments, no allowance shall be made for anticipated profits.

The Director shall have the authority to order Extra Work up to an amount equal to six percent (6%) of the Total Estimated price for the base term plus 6% that for any option years that have been exercised unless the Contractor is advised of a greater authorization in a letter signed by the Authority's Director of Procurement. Nothing herein shall be construed as a presentation that any changes or additions will be ordered.

#### **6. COMPENSATION FOR EXTRA WORK**

The Director and the Contractor may agree, in writing, on lump sum or other compensation for Extra Work. In the event that no such agreement is reached, compensation shall be increased by the sum of the following amounts and such amounts only:

- A. for labor, compensation equal to the applicable hourly rates for extra work set forth in the Enhancements section of Attachment G (Cost Response), as accepted by the Authority.
- B. the actual net cost in money of the materials required for the work

- C. in addition to the foregoing, if the extra work is performed by a subcontractor, five percent (5%) of the amounts under (A) and (B). No extra work shall be performed by a subcontractor without the prior written approval of the Director.

## **7. EXTRA WORK PROCEDURES**

Whenever any Extra Work is performed by the Contractor on a basis other than on a lump sum basis, the Contractor shall, as a condition precedent to payment for such work, furnish to the Director or his authorized representative at the end of each day daily time slips showing (a) the name and employee number of each person employed thereon, and the number of hours in each day during which they performed Extra Work; (b) a brief description of the nature of the work performed and a list of material and equipment used and the Port Authority authorized representative who approved the Extra Work. Item (b) shall be supplemented by the Contractor at a later date with a statement indicating from whom materials were purchased and the amount paid therefor. Such daily time slips are for the purpose of enabling the Director or his authorized representatives to determine the accuracy of the amounts claimed by the Contractor.

## **8. PERFORMANCE OF EXTRA WORK**

The provisions of this Contract relating generally to the Work shall apply without exception to any Extra Work required and to the performance thereof, except to the extent that a written order in connection with any particular item of Extra Work may expressly provide otherwise.

## **9. PAYMENTS**

Subject to the provisions of this Contract, the Port Authority agrees to pay to the Contractor and the Contractor agrees to accept from the Port Authority as full and complete consideration for the performance of all its obligations under this Contract and as sole compensation for the Services performed by the Contractor hereunder, a compensation calculated from the services performed and the respective unit prices inserted by the Contractor in the Cost Response Form in Attachment G (as accepted by the Authority), forming a part of this Contract.

The manner of submission of all bills for payment to the Contractor by the Authority for Services rendered under this Contract shall be subject to the approval of the Contract Manager in all respects, including, but not limited to, format, breakdown of items presented and verifying records. All computations made by the Contractor and all billing and billing procedures shall be done in conformance with the following procedures:

- A. Payment shall be made in accordance with the prices for the applicable service as they appear on Attachment G entitled "Cost Response" (as accepted by the Authority), as same may have been adjusted hereunder minus any deductions for services not performed and/or any applicable liquidated damages. All Services must be completed within the time frames specified or as designated by the Contract Manager. Contractor shall submit to the Contract Manager by the fifth day of each month following the month of commencement of this Contract and on or by the fifth day of each month thereafter (including the month following the termination, revocation or expiration of this Contract) a complete and correct invoice for the Services performed during the preceding month accompanied by such information as may be required by the Contract Manager for verification. The invoice must show the Contractor's Federal Tax Identification Number. Payment will be made within thirty (30) days of Authority verification of the invoice. No certificate, payment, acceptance of any Services or any other act or omission of any representative of the Authority shall operate to release the Contractor from any obligation under or upon this Contract, or to stop the Authority from showing at any time that such

certificate, payment, acceptance, act or omission was incorrect or to preclude the Authority from recovering any monies paid in excess of those lawfully due and any damage sustained by the Authority.

- B. In the event an audit of received invoices should indicate that the correct sum due the Contractor for the relevant billing period is less than the amount actually paid by the Authority, the Contractor shall pay to the Authority the difference promptly upon receipt of the Authority's statement thereof. The Authority may, however, in its discretion elect to deduct said sum or sums from any subsequent payments payable to the Contractor hereunder.

"Final Payment", as the term is used throughout this Contract, shall mean the final payment made for services rendered in the last month of the Contract Term. However should this Contract be terminated for any reason prior to the last month of the Contract Term, then Final Payment shall be the payment made for services rendered in the month during which such termination becomes effective. The Contractor's acceptance of any payment, including Final Payment, shall act as a full and complete release to the Authority of all claims of and of all liability to the Contractor for all things done or furnished in connection with this Contract and for every act and neglect of the Authority and others relating to or arising out of this Contract, including claims arising out of breach of contract and claims based on claims of third persons. No payment, however, final or otherwise shall operate to release the Contractor from any obligations in connection with this Contract.

#### **10. INTELLECTUAL PROPERTY**

- A) Except as provided below: as between the Port Authority and the Contractor all process flows, codes including, but not limited to machine code, scripts, programs, routines, processes, procedures, documentation, estimates, reports, records, data, charts, documents, models, designs, renderings, drawings, specifications, photographs, computations, computer tapes or discs, and other documentation of any type whatsoever, whether electronic or in the form of writing, figures or delineations, which are prepared or compiled in connection with this Contract, shall become the exclusive property of the Authority, and the Authority shall have the exclusive right to use or permit the use of them and any ideas or methods represented by them for any purpose and at any time without other compensation than that specifically provided for herein. With regard to training manuals or any other knowledge transfer documentation, communication or presentation prepared under this Contract the Authority shall expressly have the right to use, alter and reproduce including electronically, said manuals for its internal business purposes. The Contractor hereby warrants and represents that the Authority will have at all times the ownership and rights provided for in the immediately preceding sentence free and clear of all claims of third persons whether presently existing or arising in the future and whether presently known to either of the parties to this Contract or not. Any information given to the Port Authority before, with or after submission of the Agreement on Terms of Discussion, either orally or in writing, is not given in confidence and may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever except as otherwise set forth in the Agreement On Terms Of Discussion.
- B) All preexisting information or documentation including computer programs or code including source code, of the Contractor, utilized by the Contractor hereunder in the performance of its services hereunder shall be deemed licensed to the Authority for the duration and purposes of this Contract, but shall remain the property of the Contractor.

- C) When in the performance of the Contract the Contractor utilizes passwords or codes for any purpose, the Contractor, upon written request by the Authority, made at any time during or after the performance of such services, shall promptly make available to the designated Authority representative all such passwords and codes.
- D) Third party software not specially prepared for the purpose of this contract but utilized by the Contractor hereunder in the performance of its services hereunder shall be licensed to the Contractor and the Authority for the duration and purposes of this contract but shall remain the property of said third party.
- E) The above-described software shall be furnished by the Contractor without additional compensation.

#### **11. PROPRIETARY RIGHTS IN SUBJECT MATTER NOT WITHIN THE INTELLECTUAL PROPERTY CLAUSE**

If in accordance with this Contract the Contractor furnishes research, development or consultative services in connection with the performance of the Work and if in the course of such research, development, or consultation patentable or copyrightable subject matter or trade secrets or other proprietary matter is produced by the Contractor, its officers, agents, employees, subcontractors, or suppliers, not custom software, and not covered under the clause hereof entitled "Intellectual Property", the Authority shall have, without cost or expense to it, an irrevocable, non-exclusive, royalty-free license to make, have made, and use, either itself or by anyone on its behalf, such subject matter in connection with any activity now or hereafter engaged in or permitted by the Authority. Promptly upon request by the Authority, the Contractor shall furnish or obtain from the appropriate person a form of license satisfactory to the Authority, but it is expressly understood and agreed that as between the Contractor and the Authority the license herein provided for shall nevertheless arise for the benefit of the Authority immediately upon the production of said subject matter and shall not await formal exemplification in a written license agreement as provided for above. Such license may be transferred by the Authority to its successors, immediate or otherwise, in the operations of or ownership of any facility now or hereafter operated by the Authority but such license shall not be otherwise transferable.

The right of the Authority as well as the Contractor to use all patented material, compositions of matter, manufactures, apparatus, appliances, processes of manufacture or types of construction as well as any copyrightable matter, trade secrets or other proprietary matters, shall be obtained by the Contractor without separate or additional compensation whether the same is patented or copyrighted before, during or after the performance of the Work.

#### **12. INDEMNITY IN REGARD TO INFRINGEMENT MATTER**

The Contractor shall indemnify the Authority against and save it harmless from all loss and expense incurred in the defense, settlement or satisfaction of any claims in the nature of patent, copyright, or other proprietary rights infringement arising out of or in connection with the Authority's use, in accordance with the two immediately preceding clauses of any matter protected as intellectual property. If requested by the Authority and if notified promptly in writing of any such claims, the Contractor shall conduct all negotiations with respect to and defend such claim without expense to the Authority. If the Authority be enjoined from using any of the components of the System which form the subject matter of this Contract, and as to which the Contractor is to indemnify the Authority against proprietary rights claims, the Authority may, at its option and without thereby limiting any other right it may have hereunder or at law or in equity, require the Contractor to supply, temporarily or permanently, components of the System not subject to such injunction and not infringing any proprietary rights and if the Contractor shall fail to do so, the

Contractor shall, at its expense, remove all such facilities and refund the cost thereof to the Authority and otherwise equitably adjust compensation and take such steps as may be necessary to ensure compliance by the Authority with such injunction, to the satisfaction of the Authority.

The Contractor shall promptly and fully inform the Director of any claims or disputes for infringement or otherwise, whether existing or potential, of which it has knowledge relating to any Intellectual Property used, developed or licensed in connection with the performance of the Work or otherwise in connection with this Contract.

If so directed, the Contractor shall at its own expense defend any suit based upon any claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and in handling such shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

### **13. TIME IS OF THE ESSENCE**

The Contractor's obligations for the performance and completion of all work within the time or times provided for in this Contract, and as directed by the Director or Manager, are of the essence of this Contract.

### **14. FINAL PAYMENT**

After satisfactory completion of all services required hereunder, and upon receipt from the Contractor of such information as may be required, the Director shall certify in writing to the Contractor the total compensation earned by the Contractor. If so required, the Contractor shall thereupon furnish to the Authority a detailed sworn statement of all claims, just and unjust, of subcontractors, materialmen and other third persons then outstanding which he has reason to believe may thereafter be made on account of the services provided under this Contract. Within thirty (30) days after issuance of such certificate of total compensation earned (or within thirty days after receipt of the documents provided for in the immediately preceding paragraph, if required and if such date is later), the Port Authority shall pay to the Contractor by check the amount stated in said certificate, less all other payments and advances whatsoever to or for the account of the Contractor. All prior estimates and payments shall be subject to correction in this payment, which is throughout this Contract called the Final Payment. The acceptance by the Contractor, or by anyone claiming by or through him, of the Final Payment shall be and shall operate as a release to the Authority of all claims and of all liability to the Contractor for all things done or furnished in connection with this contract and for every act and neglect of the Authority and others relating to or arising out of this contract, including claims arising out of breach of the contract and claims based on claims of third persons.

The Contractor's agreement as provided in the immediately preceding paragraph shall be deemed to be based upon the consideration forming part of this Contract as a whole and not to be gratuitous; but in any event even if deemed gratuitous and without consideration, such agreement as provided in the immediately preceding paragraph shall nevertheless be effective. Such release shall include all claims, whether or not in litigation and even though still under consideration by the Authority. Such release shall be effective notwithstanding any purported reservation of right by the Contractor to preserve such claim. The acceptance of any check designated as "Final Payment" or bearing any similar designation shall be conclusively presumed to demonstrate the intent of the Contractor that such payment was intended to be accepted as final, with the consequences provided in this numbered clause, notwithstanding any purported reservation of rights.

The Contractor agrees that he shall not be entitled to, and hereby waives any right he might otherwise have to, and shall not seek any judgment whether under this Contract or otherwise for any such Final Payment or for an amount equivalent thereto or based thereon, or for any part thereof, if such judgment would have the effect of varying, setting aside, disregarding or making inapplicable the terms of this numbered clause or have the effect in any way of entitling the Contractor to accept such Final Payment or an amount equivalent thereto or based thereon or any part thereof other than in the same fashion as a voluntary acceptance of a Final Payment subject to all the terms of this Contract including this numbered clause, unless and until the Contractor should obtain a judgment on any claim arising out of or in connection with this Contract (including a claim based on breach of contract) for an amount not included in said Final Payment.

#### **15. DEFAULT, REVOCATION OR SUSPENSION OF CONTRACT**

A. If one or more of the following events shall occur:

1. Fire or other event which destroys all or a substantial part of the Facility, asset or infrastructure necessary to perform the Scope of Work;
2. Any governmental agency shall condemn or take a temporary or permanent interest in all or a substantial part of the Facility, or all of a part of the Port Authority's interest herein;

then upon the occurrence of such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right on twenty-four (24) hours written notice to the Contractor to revoke this Contract, such revocation to be effective upon the date and time specified in such notice.

In such event this Contract shall cease and expire on the effective date of revocation as if said date were the date of the expiration of this Contract. Such revocation shall not, however, relieve the Contractor of any liabilities or obligations hereunder which shall have accrued on or prior to the effective date of revocation.

B. If one or more of the following events shall occur:

1. The Contractor shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement or its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any State thereof, or consent to the appointment of a receiver, trustee, or liquidator of all or substantially all its property; or
2. By order or decree of a court the Contractor shall be adjudged bankrupt or an order shall be made approving a petition filed by any of the creditors, or, if the Contractor is a corporation, by any of the stockholders of the Contractor, seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any State thereof; or
3. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against the Contractor and shall not be dismissed within thirty (30) days after the filing thereof; or
4. The interest of the Contractor under this Contract shall be transferred to, passed to or devolve upon, by operation of law or otherwise, any other person, firm or corporation; or

5. The Contractor, if a corporation, shall, without the prior written approval of the Port Authority, become a surviving or merged corporation in a merger, a constituent corporation in a consolidation, or a corporation in dissolution; or
6. If the Contractor is a partnership, joint-venture, or similar arrangement (referred to herein for convenience as the "partnership"), and the said partnership shall be dissolved as the result of any act or omission of its copartners or any of them, or by operation of law or the order or decree of any court having jurisdiction, or for any other reason whatsoever; or
7. By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer having jurisdiction, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of the Contractor and such possession or control of all or substantially all of the property of the Contractor and shall continue in effect for a period of fifteen (15) days;

then upon the occurrence of any such event or at any time thereafter during the continuance thereof, the Port Authority shall have the right upon five (5) days notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder; termination to be effective upon the date and time specified in such notice as if said date were the date of the expiration of this Contract. Termination shall not relieve the Contractor of any liabilities or obligations hereunder which have accrued on or prior to the effective date of termination.

C. If any of the following shall occur:

1. The Contractor shall cease, abandon any part of the service, desert, stop or discontinue its services in the premises for any reason whatsoever and regardless of the fault of the Contractor; or
2. The Contractor shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Contract on its part to be kept, performed or observed, within five (5) days after receipt of notice of default thereunder from the Port Authority (except where fulfillment of its obligations requires activity over a greater period of time, and the Contractor shall have commenced to perform whatever may be required for fulfillment within five (5) days after receipt of notice and continues such performance without interruption except for causes beyond its control);

then upon the occurrence of any such event or during the continuance thereof, the Port Authority shall have the right on twenty four (24) hours notice to the Contractor to terminate this Contract and the rights of the Contractor hereunder, termination to be effective upon the date and time specified in such notice. Termination shall not relieve the Contractor of any liabilities, which shall have accrued on or prior to the effective date of termination.

- D. If any of the events enumerated in this Section shall occur prior to commencement date of this Contract the Port Authority upon the occurrence of any such event or any time thereafter during the continuance thereof by twenty-four (24) hours notice may terminate or suspend this Contract and the rights of the Contractor hereunder, such termination or suspension to be effective upon the date specified in such notice.
- E. No payment by the Port Authority of any monies to the Contractor for any period or periods after default of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Contractor and no act or thing done or omitted to be done by the Port Authority shall be deemed to be

a waiver of the right of the Port Authority to terminate this Contract or of any other right or remedies to which the Port Authority may be entitled because of any breach thereof. No waiver by the Port Authority of any default on the part of the Contractor in the performance of any of the terms, covenants and conditions hereof to be performed, kept or observed by the Contractor shall be or be construed to be a waiver by the Port Authority of any other subsequent default in the performance of any of the said terms, covenants and conditions.

- F. In addition to all other rights of revocation or termination hereunder and notwithstanding any other provision of this Contract the Port Authority may terminate this Contract and the rights of the Contractor hereunder without cause at any time upon five (5) days written notice to the Contractor and in such event this Contract shall cease and expire on the date set forth in the notice of termination as fully and completely as though such dates were the original expiration date hereof and if such effective date of termination is other than the last day of the month, the amount of the compensation due to the Contractor from the Port Authority shall be prorated when applicable on a daily basis. Such cancellation shall be without prejudice to the rights and obligations of the parties arising out of portions already performed but no allowance shall be made for anticipated profits.
- G. Any right of termination contained in this paragraph, shall be in addition to and not in lieu of any and all rights and remedies that the Port Authority shall have at law or in equity consequent upon the Contractor's breach of this Contract and shall be without prejudice to any and all such other rights and remedies. It is hereby specifically agreed and understood that the exercise by the Port Authority of any right of termination set forth in this paragraph shall not be or be deemed to be an exercise by the Port Authority of an election of remedies so as to preclude the Port Authority from any right to money damages it may have for the period prior to the effective date of termination to the original expiration date of the Contract, and this provision shall be deemed to survive the termination of this Contract as aforesaid.
- H. If (1) the Contractor fails to perform any of its obligations under this Contract or any other contract between the Port Authority and the Contractor (including its obligation to the Port Authority to pay any claim lawfully made against it by any supplier, subcontractor or worker or other person which arises out of or in connection with the performance of this Contract or any other contract with the Port Authority) or (2) any claim (just or unjust) which arises out of or in connection with this Contract or any other contract between the Port Authority and the Contractor is made against the Port Authority or (3) any subcontractor under this Contract or any other contract between the Port Authority and the Contractor fails to pay any claims lawfully made against it by any supplier, subcontractor, worker or other third person which arises out of or in connection with this Contract or any other contract between the Port Authority and the Contractor or if in the opinion of the Port Authority any of the aforesaid contingencies is likely to arise, then the Port Authority shall have the right, in its discretion, to withhold out of any payment (final or otherwise) such sums as the Port Authority may deem ample to protect it against delay or loss or to assure the payment of just claims of third persons, and to apply such sums in such manner as the Port Authority may deem proper to secure such protection or satisfy such claims. All sums so applied shall be deducted from the Contractor's compensation. Omission by the Port Authority to withhold out of any payment, final or otherwise, a sum for any of the above contingencies, even though such contingency has occurred at the time of such payment, shall not be deemed to indicate that the Port Authority does not intend to exercise its right with respect to such contingency. Neither the above provisions for rights of the Port Authority to withhold and apply monies nor any exercise or attempted exercise of, or omission to exercise, such rights by the Port Authority shall create any obligation of any kind to such supplier, subcontractors, worker or other third persons. If, however, the payment of any amount due the

Contractor shall be improperly delayed, the Port Authority shall pay the Contractor interest thereon at the rate of 6% per annum for the period of the delay, it being agreed that such interest shall be in lieu of and in liquidation of any damages to the Contractor because of such delay.

- I. If the Port Authority has paid any sum or has incurred any obligation or expense which the Contractor has agreed to pay or reimburse the Port Authority, or if the Port Authority is required or elects to pay any sum or sums or incurs any obligations or expense by reason of the failure, neglect or refusal of the Contractor to perform or fulfill any one or more of the conditions, covenants, or agreements contained in this Contract, or as a result of an act of omission of the Contractor contrary to the said conditions, covenants and agreements, the Contractor shall pay to the Port Authority the sum or sums so paid or expense so incurred, including all interests, costs and damages, promptly upon the receipt of the Port Authority's statement therefore. The Port Authority may, however, in its discretion, elect to deduct said sum or sums from any payment payable by it to the Contractor.
- J. If the Port Authority pays any installment to the Contractor without reducing said installment as provided in this Contract, it may reduce any succeeding installment by the proper amount, or it may bill the Contractor for the amount by which the installment paid should have been reduced and the Contractor shall pay to the Port Authority any such amount promptly upon receipt of the Port Authority's statement therefore.
- K. Until actual payment to the Contractor, its right to any amount to be paid under this Contract (even though such amount has already been certified as due) shall be subordinate to the rights of the Authority under this clause.
- L. The Port Authority shall also have the rights set forth above in the event the Contractor shall become insolvent or bankrupt or if its affairs are placed in the hands of a receiver, trustee or assignee for the benefit of creditors.

#### **16. CONTRACTOR PERSONNEL STANDARDS OF PERFORMANCE**

The Contractor shall furnish sufficiently trained management, supervisory, technical and operating personnel to perform the services required of the Contractor under this Contract. If, in the opinion of the Director, any of the Contractor's personnel are not satisfactory in the performance of services to be furnished hereunder, the Contractor shall remove such personnel and replace them with personnel satisfactory to the Director.

At the time the Contractor is carrying out its operations there may be other persons working physically in the vicinity or in the same logical or technical infrastructure. The Contractor shall so conduct its operations as to work in harmony and not endanger, interfere with or delay the operations of others, all to the best interests of The Authority and others and as may be directed by the Director.

#### **17. HIGH SECURITY AREAS**

- A. Services under the Contract may be required in high security areas, as the same may be designated by the Manager from time to time. The Port Authority shall require the observance of certain security procedures with respect to the high security areas, which may include the escort to, at, and/or from said high security areas by security personnel designated by the Contractor or any subcontractor's personnel required to work therein.
- B. Twenty-four hours prior to the proposed performance of any work in a high security area, the Contractor shall notify the Manager. The Contractor shall conform to the procedures as may be

established by the Manager from time to time and at any time for access to high security areas and the escorting of personnel hereunder. Prior to the start of work, the Contractor shall request a description from the Manager of the high security areas which will be in effect on the commencement date. The description of high security areas may be changed from time to time and at any time by the Manager during the term of the Contract.

### **18. NOTIFICATION OF SECURITY REQUIREMENTS**

The Authority has the responsibility of ensuring safe, reliable and secure transportation facilities, systems, and projects to maintain the well-being and economic competitiveness of the region. Therefore, the Authority reserves the right to deny access to certain documents, sensitive security construction sites and facilities (including rental spaces) to any person that declines to abide by Port Authority security procedures and protocols, any person with a criminal record with respect to certain crimes or who may otherwise poses a threat to the construction site or facility security. The Authority reserves the right to impose multiple layers of security requirements on the Contractor, its staff and subcontractors and their staffs depending upon the level of security required, or may make any amendments with respect to such requirements as determined by the Authority.

These security requirements may include but are not limited to the following:

- Contractor/ Subcontractor identity checks and background screening

The Port Authority's designated background screening provider may require inspection of not less than two forms of valid/current government issued identification (at least one having an official photograph) to verify staff's name and residence; screening federal, state, and/or local criminal justice agency information databases and files; screening of any terrorist identification files; access identification to include some form of biometric security methodology such as fingerprint, facial or iris scanning, or the like.

The Contractor may be required to have its staff, and any subcontractor's staff, material-men, visitors or others over whom the Contractor/subcontractor has control, authorize the Authority or its designee to perform background checks, and a personal identity verification check. Such authorization shall be in a form acceptable to the Authority. The Contractor and subcontractors may also be required to use an organization designated by the Authority to perform the background checks.

As of January 29, 2007, the Secure Worker Access Consortium (S.W.A.C.) is the only Port Authority approved provider to be used to conduct background screening and personal identity verification, except as otherwise required by federal law and/or regulation (such as the Transportation Worker Identification Credential for personnel performing in secure areas at Maritime facilities). Information about S.W.A.C., instructions, corporate enrollment, online applications, and location of processing centers can be found at <http://www.secureworker.com>, or S.W.A.C. may be contacted directly at (877) 522-7922 for more information and the latest pricing. The cost for said background checks for staff that pass and are granted a credential shall be reimbursable to the Contractor (and its subcontractors) as an out-of-pocket expense as provided herein. Staff that are rejected for a credential for any reason are not reimbursable.

- Issuance of Photo Identification Credential

No person will be permitted on or about the Authority construction site or facility (including rental spaces) without a facility-specific photo identification credential approved by the Authority. If the authority requires facility-specific identification credential for the Contractor's and the subcontractor's staff, the Authority will supply such identification at no cost to the Contractor or its subcontractors. Such facility-specific identification credential shall remain the property of the Authority and shall be returned to the

Authority at the completion or upon request prior to completion of the individual's assignment at the specific facility. It is the responsibility of the appropriate Contractor or subcontractor to immediately report to the Authority the loss of any staff member's individual facility-specific identification credential. The Contractor or subcontractor shall be billed for the cost of the replacement identification credential. Contractor's and subcontractor's staff shall display Identification badges in a conspicuous and clearly visible manner, when entering, working or leaving an Authority construction site or facility.

Employees may be required to produce not less than two forms of valid/current government issued identification having an official photograph and an original, unlaminated social security card for identify and SSN verification. Where applicable, for sensitive security construction sites or facilities, successful completion of the application, screening and identity verification for all employees of the Contractor and subcontractors shall be completed prior to being provided a S.W.A.C. ID Photo Identification credential.

- Access control, inspection, and monitoring by security guards

The Authority may provide for Authority construction site or facility (including rental spaces) access control, inspection and monitoring by Port Authority Police or Authority retained contractor security guards. However, this provision shall not relieve the Contractor of its responsibility to secure its equipment and work and that of its subconsultant/subcontractor's and service suppliers at the Authority construction site or facility (including rental spaces). In addition, the Contractor, subcontractor or service provider is not permitted to take photographs, digital images, electronic copying and/or electronic transmission or video recordings or make sketches on any other medium at the Authority construction sites or facilities (including rental spaces), except when necessary to perform the Work under this Contract, without prior written permission from the Authority. Upon request, any photograph, digital images, video recording or sketches made of the Authority construction site or facility shall be submitted to the Authority to determine compliance with this paragraph, which submission shall be conclusive and binding on the submitting entity.

### **19. INSURANCE PROCURED BY THE CONTRACTOR**

The Contractor shall take out, maintain, and pay the premiums on Commercial General Liability Insurance, including but not limited to premises-operations, products-completed operations, and independent contractors coverage, with contractual liability language covering the obligations assumed by the Contractor under this Contract and, if vehicles are to be used to carry out the performance of this Contract, then the Contractor shall also take out, maintain, and pay the premiums on Automobile Liability Insurance covering owned, non-owned, and hired autos in the following minimum limits:

Commercial General Liability Insurance - \$ 2 million combined single limit per occurrence for bodily injury and property damage liability.

Automobile Liability Insurance - \$ 2 million combined single limit per accident for bodily injury and property damage liability.

In addition, the liability policy (ies) shall name "The Port Authority of NY & NJ and its wholly owned entities, their commissioners, directors, officers, partners, employees and agents as additional insured", including but not limited to premise-operations, products-completed operations on the Commercial General Liability Policy. Moreover, the Commercial General Liability Policy shall not contain any provisions for exclusions from liability other than provisions for exclusion from liability forming part of the most up to date ISO form or its equivalent unendorsed Commercial General Liability Policy. The liability policy (ies) and certificate of insurance shall contain separation of insured condition and severability of interests clause for all policies so that coverage will respond as if separate policies were in force for each insured. An act or omission of one of

the insureds shall not reduce or void coverage to the other insureds. Furthermore, the Contractor's insurance shall be primary insurance as respects to the above additional insureds. Any insurance or self-insurance maintained by the above additional insureds shall not contribute to any loss or claim. These insurance requirements shall be in effect for the duration of the contract to include any warrantee/guarantee period.

The certificate of insurance and liability policy (ies) must contain the following endorsement for the above liability coverages:

***"The insurer(s) shall not, without obtaining the express advance written permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the Tribunal over the person of the Part Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority, or the provisions of any statutes respecting suits against the Port Authority."***

The Contractor shall also take out, maintain, and pay premiums on Workers' Compensation Insurance in accordance with the requirements of law in the state(s) where work will take place, and Employer's Liability Insurance with limits of not less than \$1 million each accident.

Professional Liability Insurance - Not less than \$2 million each occurrence, covering acts, errors, mistakes, and omissions arising out of the work or services performed by Consultant, or any person employed by Consultant. All endorsements and exclusions shall be evidenced on the certificate of insurance. The coverage shall be written on an occurrence form or may be written on a claims-made basis with a minimum of a three-year reporting/discovery period.

Each policy above shall contain an endorsement that the policy may not be canceled, terminated, or modified without thirty (30) days' prior written notice to the Port Authority of NY and NJ, Att: Facility Contract Administrator, at the location where the work will take place and to the General Manager, Risk Management.

The Port Authority may at any time during the term of this agreement change or modify the limits and coverages of insurance. Should the modification or change results in an additional premium, The General Manager, Risk Management for the Port Authority may consider such cost as an out-of-pocket expense.

Within five (5) days after the award of this agreement or contract and prior to the start of work, the Contractor must submit an original certificate of insurance, to the Port Authority of NY and NJ, Facility Contract Administrator, at the location where the work will take place. This certificate of insurance MUST show evidence of the above insurance policy (ies), including but not limited to the cancellation notice endorsement and stating the agreement/contract number prior to the start of work. The General Manager, Risk Management must approve the certificate(s) of insurance before any work can begin. Upon request by the Port Authority, the Contractor shall furnish to the General Manager, Risk Management, a certified copy of each policy, including the premiums.

If at any time the above liability insurance should be canceled, terminated, or modified so that the insurance is not in effect as above required, then, if the Manager shall so direct, the Contractor shall suspend performance of the contract at the premises. If the contract is so suspended, no extension of time shall be due on account thereof. If the contract is not suspended (whether or not because of omission of the Manager to order suspension), then the Authority may, at its option, obtain insurance affording coverage

equal to the above required, the cost of such insurance to be payable by the Contractor to the Port Authority.

Renewal certificates of insurance or policies shall be delivered to the Facility Contractor Administrator, Port Authority at least fifteen (15) days prior to the expiration date of each expiring policy. The General Manager, Risk Management must approve the renewal certificate(s) of insurance before work can resume on the facility. If at any time any of the certificates or policies shall become unsatisfactory to the Port Authority, the Contractor shall promptly obtain a new and satisfactory certificate and policy.

The requirements for insurance procured by the Contractor shall not in any way be construed as a limitation on the nature or extent of the contractual obligations assumed by the Contractor under this contract. The insurance requirements are not a representation by the Authority as to the adequacy of the insurance to protect the Contractor against the obligations imposed on them by law or by this or any other Contract.

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## **20. ASSIGNMENTS AND SUBCONTRACTS**

Any assignment or other transfer by the Contractor of this Contract or any part hereof or of any of its rights hereunder or of any monies due or to become due hereunder and any delegation of any of its duties hereunder without the express written consent of the Director shall be void and of no effect as to the Authority, provided, however, that the Contractor may subcontract portions of the Work to such persons as the Director, may, from time to time, expressly approve in writing. For each individual, partnership or corporation proposed by the Contractor as a subcontractor, the Contractor shall submit to the Authority a certification or, if a certification cannot be made, a statement by such person, partnership or corporation to the same effect as the certification or statement required from the Contractor pursuant to the clauses of the "Integrity" Section entitled "Certification of No Investigation Indictment, Conviction, Debarment Suspension, Disqualification and Disclosure of Other Information and "Non-Collusive Bidding and Code of Ethics Certification; Certification of No Solicitation Based on Commission, Percentage, Brokerage Contingent or Other Fee". All further subcontracting by any subcontractor shall also be subject to such approval of the Director.

No consent to any assignment or other transfer, and no approval of any subcontractor, shall under any circumstances operate to relieve the Contractor of any of its obligations; no subcontract, no approval of any subcontractor and no act or omission of the Authority or the Director shall create any rights in favor of such subcontractor and against the Authority; and as between the Authority and the Contractor, all assignees, subcontractors, and other transferees shall for all purposes be deemed to be agents of the Contractor. Moreover, all subcontractors and all approvals of subcontractors, regardless of their form, shall be deemed to be conditioned upon performance by the subcontractor in accordance with this Contract; and if any subcontractor shall fail to perform the Contract to the satisfaction of the Director, the Director shall have the absolute right to rescind his approval forthwith and to require the performance of the Contract by the Contractor personally or through other approved subcontractors.

## **21. CERTAIN CONTRACTOR'S WARRANTIES**

The Contractor represents and warrants:

- a. That it is financially responsible and experienced in, and competent to perform this Contract; that no representation, promise or statement, oral or in writing, has induced it to submit its Response, saving only those contained in the papers expressly made part of this Contract; that the facts stated or shown in any papers submitted or referred to in connection with its Response are true; and, if the Contractor be a corporation, that it is authorized to perform this Contract;

- b. That it has carefully examined and analyzed the provisions and requirements of this Contract, that from its own investigations it has satisfied itself as to the nature of all things needed for the performance of this Contract, the general and local conditions and all other matters which in any way affect this Contract or its performance, and that the time available to it for such examination, analysis, inspection and investigations was adequate;
- c. That the Contract is feasible of performance in accordance with all its provisions and requirements and that it can and will perform it in strict accordance with such provisions and requirements;
- d. That no Commissioner, officer, agent or employee of the Authority is personally interested directly or indirectly in this Contract or the compensation to be paid hereunder;
- e. That, except only for those representations, statements or promises expressly contained in this Contract, no representation, statement or promise, oral or in writing, of any kind whatsoever by the Authority, its Commissioners, officers, agents, employees or consultants has induced the Contractor to enter into this Contract or has been relied upon by the Contractor, including any with reference to: (1) the meaning, correctness, suitability or completeness of any provisions or requirements of this Contract; (2) the nature, existence or location of materials, structures, obstructions, utilities or conditions, which may be encountered at the installation sites; (3) the nature, quantity, quality or size of the materials, equipment, labor and other facilities needed for the performance of this Contract; (4) the general or local conditions which may in any way affect this Contract or its performance; (5) the price of the Contract; or (6) any other matters, whether similar to or different from those referred to in (1) through (5) immediately above, affecting or having any connection with this Contract, the bidding thereon, any discussions thereof, the performance thereof or those employed therein or connected or concerned therewith.
- f. That, notwithstanding any requirements of this Contract, any inspection or approval of the Contractor's services by the Authority, or the existence of any patent or trade name, the Contractor nevertheless warrants and represents that the services and any intellectual property supplied to the Authority hereunder shall be of the best quality and shall be fully fit for the purpose for which they are to be used. The Contractor unconditionally guarantees against defects or failures of any kind, including defects or failures in design, workmanship and materials, excepting solely defects or failures which the Contractor demonstrates to the satisfaction of the Authority have arisen solely from accident, abuse or fault of the Authority occurring after issuance of Final Payment hereunder and not due to fault on the Contractor's part. In the event of defects or failures in said services, or any part thereof, then upon receipt of notice thereof from the Authority, the Contractor shall correct such defects or failures as may be necessary or desirable, in the sole opinion of the Authority, to comply with the above guaranty.
- g. Moreover, the Contractor accepts the conditions at the sites of work as they may eventually be found to exist and warrants and represents that it can and will perform the Contract under such conditions and that all materials, equipment, labor and other facilities required because of any unforeseen conditions (physical or otherwise) shall be wholly at its own cost and expense, anything in this Contract to the contrary notwithstanding. The Authority is responsible for all facility power.
- h. Nothing in the Scope of Work or any other part of the Contract is intended as or shall constitute a representation by the Authority as to the feasibility of performance of this Contract or any part thereof. Moreover, the Authority does not warrant or represent either by issuance of the Scope of Work or by any provision of this Contract as to time for performance or completion or otherwise that the Contract may be performed or completed by the times required herein or by any other times.
- i. The Contractor further represents and warrants that it was given ample opportunity and time and by means of this paragraph was requested by the Authority to review thoroughly all documents forming

this Contract prior to execution of this Contract in order that it might request inclusion in this Contract of any statement, representation, promise or provision which it desired or on which it wished to place reliance; that it did so review said documents; that either every such statement, representation, promise or provision has been included in this Contract or else, if omitted, that it expressly relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Contract without claiming reliance thereon or making any other claim on account of such omission.

- j. The Contractor further recognizes that the provisions of this clause (though not only such provisions) are essential to the Authority's consent to enter into this Contract and that without such provisions; the Authority would not have entered into this Contract.

## **22. RIGHTS AND REMEDIES OF THE CONTRACTOR**

Inasmuch as the Contractor can be adequately compensated by money damages for any breach of this Contract which may be committed by the Authority, the Contractor expressly agrees that no default, act or omission of the Authority shall constitute a material breach of this Contract, entitling it to cancel or rescind it or (unless the Director shall so direct) to suspend or abandon performance.

## **23. TAX EXEMPTIONS**

Purchases of services and tangible personal property by the Port Authority are exempt from New York and New Jersey state and local sales and compensating use taxes. (Sales Taxes). Therefore, the Port Authority's purchase of the Contractor's services under this Contract is exempt from Sales Taxes. Accordingly, the Contractor must not include Sales Taxes in the price charged to the Port Authority for the Contractor's services under this Contract.

## **24. TITLE TO EQUIPMENT**

Title to all equipment to be furnished hereunder by the Contractor shall be transferred to the Authority upon its delivery to the installation site.

The Contractor shall furnish such bills of sale and affidavits of title as the Authority shall reasonably request.

## **25. NOTICE REQUIREMENTS**

No claim against the Authority shall be made or asserted in any action or proceeding at law or in equity, and the Contractor shall not be entitled to allowance of such claim, unless the Contractor shall have complied with all requirements relating to the giving of written notice and of information with respect to such claim as provided in this clause. The failure of the Contractor to give such written notice and information as to any claim shall be conclusively deemed to be a waiver by the Contractor of such claim, such written notice and information being conditions precedent to such claim. As used herein "claim" shall include any claim arising out of this Contract (including claims in the nature of breach of contract or fraud or misrepresentation before or subsequent to execution of this Contract and claims of a type which are barred by the provisions of this Contract) for damages, payment or compensation of any nature or for performance of any part of this Contract.

The requirements as to the giving of written notice and information with respect to claims shall be as follows:

- A. In the case of any claims for which requirements are set forth elsewhere in this Contract as to notice and information, such requirements shall apply.

- B. In the case of all other types of claims, notice shall have been given to the Director, as soon as practicable, and in any case within forty eight (48) hours after occurrence of the act, omission, or other circumstances upon which the claim is or will be based, stating as fully as practicable at the time all information relating thereto. Such information shall be supplemented with any further information as soon as practicable after it becomes or should become known to the Contractor, including daily records showing all costs which the Contractor may be incurring or all other circumstances which will affect any claim to be made which records shall be submitted to the Authority.
- C. The above requirements for notices and information are for the purpose of enabling the Authority to avoid waste of public funds by affording it promptly the opportunity to cancel or revise any order, change its plans, mitigate or remedy the effects of circumstances giving rise to a claim or take such other action as may seem desirable and to verify any claimed expense or circumstance as they occur and the requirements herein for such notice and information are essential to this Contract and are in addition to any notice required by statute with respect to suits against the Authority.

The above referred to notices and information are required whether or not the Authority is aware of the existence of any circumstances which might constitute a basis for a claim and whether or not the Authority has indicated it will consider a claim.

No, act, omission or statement of any kind shall be regarded as a waiver of any of the provisions of this clause or may be relied upon as such waiver except only either a written statement signed by the Executive Director of the Authority or a resolution of the Commissioners of the Authority expressly stating that a waiver is intended as to any particular provision of this clause, and more particularly, no discussion, negotiation, consideration, correspondence or requests for information with respect to a claim by any Commissioner, officer, employees or agent of the Authority shall be construed as a waiver of any provision of this clause or as authority or apparent authority to effect such a waiver.

Since merely oral notice or information may cause disputes as to the existence or substance thereof, and since notice, even if written, to other than the Authority representative above designated to receive it may not be sufficient to come to the attention of the representative of the Authority with the knowledge and responsibility of dealing with the situation, only notice and information complying with the express provisions of this clause shall be deemed to fulfill the Contractor's obligation under this Contract.

## **26. SERVICE OF NOTICES ON THE CONTRACTOR**

Whenever provision is made in this Contract for the giving of any notice to the Contractor, its deposit in any post office box, enclosed in a postpaid wrapper addressed to the Contractor at its office, or its delivery to its office, shall be sufficient service thereof as of the date of such deposit or delivery, except to the extent, if any, otherwise provided in the clause entitled "Submission to Jurisdiction". Until further notice to the Authority the Contractor's office will be that stated in its Response. Notices may also be served personally upon the Contractor; or if a corporation, upon any officer, director or managing or general agent; or if a partnership upon any partner.

## **27. NO THIRD PARTY RIGHTS**

Nothing contained in this Contract is intended for the benefit of third persons, except to the extent that the Contract specifically provides otherwise by use of the words "benefit" or "direct right of action".

## **28. INDEMNIFICATION AND RISKS ASSUMED BY THE CONTRACTOR**

To the extent permitted by law, the Contractor shall indemnify and hold harmless the Port Authority, its Commissioners, officers, representatives and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the Port Authority) arising out of or in any way connected or alleged to arise out of or alleged to be in any way connected with the Contract and

all other services and activities of the Contractor under this Contract and for all expenses incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, whether they arise from the acts or omissions of the Contractor, of the Port Authority, of third persons, or from the acts of God or the public enemy, or otherwise, including claims and demands of any local jurisdiction against the Port Authority in connection with this Contract.

The Contractor assumes the following risks, whether such risks arise from acts or omissions (negligent or not) of the Contractor, the Port Authority or third persons or from any other cause, excepting only risks occasioned solely by affirmative willful acts of the Port Authority done subsequent to the opening of responses on this Contract, and shall to the extent permitted by law indemnify the Port Authority for all loss or damage incurred in connection with such risks:

- The risk of any and all loss or damage to Port Authority property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions, on or off the premises, the loss or damage of which shall arise out of the Contractor's operations hereunder. The Contractor shall if so directed by the Port Authority, repair, replace or rebuild to the satisfaction of the Port Authority, any and all parts of the premises or the Facility which may be damaged or destroyed by the acts or omissions of the Contractor, its officers, agents, or employees and if the Contractor shall fail so to repair, replace, or rebuild with due diligence the Port Authority may, at its option, perform any of the foregoing work and the Contractor shall pay to the Port Authority the cost thereof.
- The risk of any and all loss or damage of the Contractor's property, equipment (including but not limited to automotive and/or mobile equipment) materials and possessions on the Facility.
- The risk of claim, whether made against the Contractor or the Port Authority, for any and all loss or damages occurring to any property, equipment (including but not limited to automotive and/or mobile equipment), materials and possessions of the Contractor's agents, employees, materialmen and others performing work hereunder.
- The risk of claims for injuries, damage or loss of any kind just or unjust of third persons arising or alleged to arise out of the performance of work hereunder, whether such claims are made against the Contractor or the Port Authority.

If so directed, the Contractor shall at its own expense defend any suit based upon any such claim or demand, even if such suit, claim or demand is groundless, false or fraudulent, and in handling such shall not, without obtaining express advance permission from the General Counsel of the Port Authority, raise any defense involving in any way the jurisdiction of the tribunal over the person of the Port Authority, the immunity of the Port Authority, its Commissioners, officers, agents or employees, the governmental nature of the Port Authority or the provision of any statutes respecting suits against the Port Authority.

Neither the requirements of the Port Authority under this Contract, nor the approval by the Port Authority of the methods of performance hereunder nor the failure of the Port Authority to call attention to improper or inadequate methods or to require a change in the method of performance hereunder nor the failure of the Port Authority to direct the Contractor to take any particular precaution or other action or to refrain from doing any particular thing shall relieve the Contractor of its liability for injuries to persons or damage to property or environmental impairment arising out of its operations.

The provisions of this numbered clause shall also be for the benefit of the Commissioners, officers, agents, and employees of the Authority, so that they shall have all the rights which they would have under this numbered clause if they were named at each place above at which the Authority is named, including a direct right of action against the Contractor to enforce the foregoing indemnity, except, however, that the Authority acting through its Commissioners may at any time in its sole discretion and without liability on its part cancel the benefit conferred on any of them by this numbered clause, whether or not the occasion for invoking such benefit has already arisen at the time of such cancellation.

Neither the Authority's acceptance of the performance by the Contractor in part or in whole, nor the making of a payment shall release the Contractor from its obligations under this numbered clause.

Moreover, neither the enumeration in this numbered clause nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which it is responsible shall be deemed (a) to limit the effect of the provisions of this numbered clause or of any other clause of this Contract relating to such risks or claims, (b) to imply that it assumes or is responsible for risks or claims only of the type enumerated in this numbered clause or in any other clause of this Contract, or (c) to limit the risks which it would assume or the claims for which it would be responsible in the absence of such enumerations.

### **29. SUBMISSION TO JURISDICTION**

This Contract shall be construed in accordance with the laws of the State of New York. The Contractor hereby consents to the exercise by the courts of the States of New York and New Jersey of jurisdiction *in personam* over it with respect to any matter arising out of or in connection with this Contract and waives any objection to such jurisdiction which it might otherwise have; and the Contractor agrees that mailing of process by registered mail addressed to it at the address of the Contractor set forth in the Response, shall have the same effect as personal service within the States of New York or New Jersey upon a domestic corporation of said State.

### **30. AUTHORITY OF THE DIRECTOR**

Inasmuch as the public interest requires that the project to which this Contract relates shall be performed in the manner which the Authority, acting through the Director deems best, the Director shall have absolute authority to determine what is or is not necessary or proper for or incidental thereto and the Specifications shall be deemed merely the Director's present determination on this point. In the exercise of this authority, the Director shall have power to alter the Specifications, to require the performance of Work not required by them in their present form, even though of a totally different character from that required, and to vary, increase and diminish the character, quantity and quality of, or to countermand any Work now or hereafter required. If at any time it shall be, from the viewpoint of the Authority, impracticable or undesirable in the judgment of the Director to proceed with or continue the performance of the Contract or any part thereof, whether or not for reasons beyond the control of the Authority, the Director shall have authority to suspend performance of any part or all of the Contract until such time as the Director may deem it practicable or desirable to proceed. Moreover, if at any time it shall be, from the viewpoint of the Authority impracticable or undesirable in the judgment of the Director to proceed with or continue the performance of the Contract or any part thereof for reasons within or beyond the control of the Authority, the Director shall have authority to cancel this Contract as to any or all portions not yet performed and as to any materials not yet installed even though delivered. Such cancellation shall be without prejudice to the rights and obligations of the parties arising out of portions already satisfactorily performed, but no allowance shall be made for anticipated profits. To resolve all disputes and to prevent litigation, the parties to this Contract authorize the Director to decide all questions of any nature whatsoever arising out of, under, or in connection with, or in any way related to or on account of, this Contract (including claims in the nature of breach of contract or fraud or misrepresentation before or

subsequent to acceptance of the Contractor's Response and claims of a type which are barred by the provisions of this Contract) and such decision shall be conclusive, final and binding on the parties. The Director's decision may be based on such assistance as he may find desirable. The effect of the decision shall not be impaired or waived by any negotiation or settlement offers in connection with the question decided, whether or not he participated therein, or by any prior decision of him or others, which prior decisions shall be deemed subject to review, or by any termination or cancellation of this Contract.

All such questions shall be submitted in writing by the Contractor to the Director for a decision together with all evidence and other pertinent information in regard to such questions, in order that a fair and impartial decision may be made. In any action against the Authority relating to any such question the Contractor must allege in the complaint and prove such submission, which shall be a condition precedent to any such action. No evidence or information shall be introduced or relied upon in such an action that has not been so presented to the Director.

In the performance of the Contract, the Contractor shall conform to all orders, directions and requirements of the Director and shall perform the Contract to his satisfaction at such times and places, by such methods and such manner and sequence as he may require, and the Contract shall at all stages be subject to his inspection. The Contractor shall employ no equipment, materials, methods or men to which he objects, and shall remove no materials, equipment or other facilities from the Authority site without permission. Upon request, he shall confirm in writing any oral order, direction, requirements or determination.

The enumeration herein or elsewhere of particular instances in which the opinion, judgment, discretion or determination of the Director shall control or in which the Contract shall be performed to his satisfaction or subject to his inspection, shall not imply that only the matters of a nature similar to those enumerated shall be so governed and performed, but without exception the entire Contract shall be so governed and performed.

This provision shall be construed in accordance with the laws of the State of New York excluding its conflict of law provisions.

### **31. APPROVALS BY THE DIRECTOR**

The approval by the Director of any service required hereunder, shall be construed merely to mean that at that time the Director knows of no good reason for objecting thereto and no such approval shall release the Contractor from its full responsibility for the satisfactory performance of the services to be supplied. "Approved equal" shall mean approved by the Director.

### **32. 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 and administration tasks and functions covered by this Contract. The Authority will require access to the Contractor's Network Monitoring data center 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 revenue "owned" by the Port Authority.

### **33. STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS (SSAE) NO. 16 Audit**

To the extent applicable to the Services, the Contractor shall conduct SSAE 16 or its successor on an annual basis and provide such report to the Authority. The Authority reserves the right to conduct or have agents conduct any additional audits they deem necessary.

### **34. 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 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 its 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.

### **35. CLAIMS OF THIRD PERSONS**

The Contractor undertakes to pay all claims lawfully made against it by subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of this Contract and to cause all subcontractors to pay all such claims lawfully made against them.

### **36. NO DISCRIMINATION IN EMPLOYMENT, EQUAL EMPLOYMENT OPPORTUNITY**

During the performance of this Contract, the Contractor agrees as follows:

- A. The Contractor is advised to ascertain and comply with all applicable federal, state and local statutes, ordinances, rules and regulations and Federal Executive Orders pertaining to equal employment opportunity, affirmative action and non-discrimination in employment.
- B. Without limiting the generality of any other term or provision of this Contract, in the event of the Contractor's non-compliance with any such statutes, ordinances, rules, regulations or orders, this Contract may be canceled, terminated, or suspended in whole or in part.

### **37. CONTRACTOR'S INTEGRITY PROVISIONS**

- A. Certification of No Investigation (criminal or civil anti-trust), Indictment, Conviction, Debarment, Suspension, Disqualification and Disclosure of Other Information.

By submitting a response on this Contract, each Respondent and each person signing on behalf of any Respondent certifies, and in the case of a joint bid each party thereto certifies as to its own organization, that the Respondent and each parent and/or affiliate of the Respondent has not:

1. been indicted or convicted in any jurisdiction;
2. been suspended, debarred, found not responsible or otherwise disqualified from entering into any contract with any governmental agency or been denied a government contract for failure to meet standards related to the integrity of the Respondent;
3. had a contract terminated by any governmental agency for breach of contract or for any cause based in whole or in part on an indictment or conviction;
4. ever used a name, trade name or abbreviated name, or an Employer Identification Number different from those inserted in the Bid;
5. had any business or professional license suspended or revoked or, within the five years prior to bid opening, had any sanction imposed in excess of \$50,000 as a result of any judicial or administrative proceeding with respect to any license held or with respect to any violation of a federal, state or local environmental law, rule or regulation;
6. had any sanction imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust regardless of the dollar amount of the sanctions or the date of their imposition; and
7. been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or a civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

### **B NON-COLLUSIVE BIDDING, AND CODE OF ETHICS CERTIFICATION, CERTIFICATION OF NO SOLICITATION BASED ON COMMISSION, PERCENTAGE, BROKERAGE, CONTINGENT OR OTHER FEES**

By submitting a response on this Contract each Respondent and each person signing on behalf of any Respondent certifies, and in the case of a joint bid, each party thereto certifies as to its own organization, that

1. the prices in its bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Respondent or with any competitor;
2. the prices quoted in its bid have not been and will not be knowingly disclosed directly or indirectly by the Respondent prior to the official opening of such bid to any other Respondent or to any competitor;
3. no attempt has been made and none will be made by the Respondent to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition;
4. this organization has not made any offers or agreements or taken any other action with respect to any Authority employee or former employee or immediate family member of either which would constitute a breach of ethical standards under the Code of Ethics dated April 11, 1996 (a copy of

which is available upon request) nor does this organization have any knowledge of any act on the part of an Authority employee or former Authority employee relating either directly or indirectly to this organization which constitutes a breach of the ethical standards set forth in said Code;

5. no person or selling agency other than a bona fide employee or bona fide established commercial or selling agency maintained by the Respondent for the purpose of securing business has been employed or retained by the Respondent to solicit or secure this Contract on the understanding that a commission, percentage, brokerage, contingent, or other fee would be paid to such person or selling agency;
6. has not offered, promised or given, demanded or accepted, any undue advantage, directly or indirectly, to or from a public official or employee, political candidate, party or party official, or any private sector employee (including a person who directs or works for a private sector enterprise in any capacity), in order to obtain, retain, or direct business or to secure any other improper advantage in connection with this Contract; and
7. no person or organization has been retained, employed or designated on behalf of the Bidder to impact any Port Authority determination with respect to (i) the solicitation, evaluation or award of this Contract; or (ii) the preparation of specifications or request for submissions in connection with this Contract.

The foregoing certifications shall be deemed to be made by the Respondent as follows:

\* if the Respondent is a corporation, such certification shall be deemed to have been made not only with respect to the Respondent itself, but also with respect to each parent, affiliate, director, and officer of the Respondent, as well as, to the best of the certifier's knowledge and belief, each stockholder of the Respondent with an ownership interest in excess of 10%;

\* if the Respondent is a partnership, such certification shall be deemed to have been made not only with respect to the Respondent itself, but also with respect to each partner.

Moreover, the foregoing certifications, if made by a corporate Respondent, shall be deemed to have been authorized by the Board of Directors of the Respondent, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of such certification as the act and deed of the corporation.

In any case where the Bidder cannot make the foregoing certifications, the Bidder shall so state and shall furnish with the signed bid a signed statement that sets forth in detail the reasons therefor. If the Bidder is uncertain as to whether it can make the foregoing certifications, it shall so indicate in a signed statement furnished with its bid, setting forth in such statement the reasons for its uncertainty. With respect to the foregoing certification in paragraph "B.7", if the Bidder cannot make the certification, it shall provide, in writing, with the signed bid: (i) a list of the name(s), address(es), telephone number(s), and place(s) of principal employment of each such individual or organization; and (ii) a statement as to whether such individual or organization has a "financial interest" in this Contract, as described in the Procurement Disclosure policy of the Authority (a copy of which is available upon request to the Director of the Procurement Department of the Authority). Such disclosure is to be updated, as necessary, up to the time of award of this Contract. As a result of such disclosure, The Port Authority shall take appropriate action up to and including a finding of non-responsibility.

Failure to make the required disclosures shall lead to administrative actions up to and including a finding of non-responsibility.

Notwithstanding that the Respondent may be able to make the foregoing certifications at the time the Response is submitted, the Respondent shall immediately notify the Authority in writing during the period in which its Response is under consideration of any change of circumstances which might under this clause make it unable to make the foregoing certifications or require disclosure. The foregoing certifications or signed statement shall be deemed to have been made by the Respondent with full knowledge that they would become a part of the records of the Authority and that the Authority will rely on their truth and accuracy in awarding this Contract. In the event that the Authority should determine at any time prior or subsequent to the award of this Contract that the Respondent has falsely certified as to any material item in the foregoing certifications or has willfully or fraudulently furnished a signed statement which is false in any material respect, or has not fully and accurately represented any circumstance with respect to any item in the foregoing certifications required; to be disclosed, the Authority may determine that the Respondent is not a responsible Respondent with respect to its bid on the Contract or with respect to future bids on Authority contracts and may exercise such other remedies as are provided to it by the Contract with respect to these matters. In addition, Respondents are advised that knowingly providing a false certification or statement pursuant hereto may be the basis for prosecution for offering a false instrument for filing (see, e.g. New York Penal Law, Section 175.30 et seq.). Respondents are also advised that the inability to make such certification will not in and of itself disqualify a Respondent, and that in each instance the Authority will evaluate the reasons therefor provided by the Respondent.

Under certain circumstances the Respondent may be required as a condition of Contract award to enter into a Monitoring Agreement under which it will be required to take certain specified actions, including compensating an independent Monitor to be selected by the Port Authority, said Monitor to be charged with, among other things, auditing the actions of the Respondent to determine whether its business practices and relationships indicate a level of integrity sufficient to permit it to continue business with the Port Authority.

#### **C RESPONDENT ELIGIBILITY FOR AWARD OF CONTRACTS - DETERMINATION BY AN AGENCY OF STATE OF NEW YORK OR NEW JERSEY CONCERNING ELIGIBILITY TO RECEIVE PUBLIC CONTRACTS**

Respondents are advised that the Authority has adopted a policy to the effect that in awarding its contracts it will honor any determination by an agency of the State of New York or New Jersey that a Respondent is not eligible to bid on or be awarded public contracts because the Respondent has been determined to have engaged in illegal or dishonest conduct or to have violated prevailing rate of wage legislation.

The policy permits a Respondent whose ineligibility has been so determined by an agency of the State of New York or New Jersey to submit a bid on a Port Authority contract and then to establish that it is eligible to be awarded a contract on which it has bid because (i) the state agency determination relied upon does not apply to the Respondent, or (ii) the state agency determination relied upon was made without affording the Respondent the notice and hearing to which the Respondent was entitled by the requirements of due process of law, or (iii) the state agency determination was clearly erroneous or (iv) the state agency determination relied upon was not based on a finding of conduct demonstrating a lack of integrity or violation of a prevailing rate of wage law.

The full text of the resolution adopting the policy may be found in the Minutes of the Authority's Board of Commissioners meeting of September 9, 1993.

#### **D. NO GIFTS, GRATUITIES, OFFERS OF EMPLOYMENT, ETC.**

During the term of this Contract, the Respondent shall not offer, give or agree to give anything of value either to a Port Authority employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority, or to a member of the immediate family (i.e., a spouse, child, parent, brother or sister) of any of the foregoing, in connection with the performance by such employee, agent, job shopper, consultant, construction manager or other person or firm representing the Port Authority of duties involving transactions with the Respondent on behalf of the Port Authority, whether or not such duties are related to this Contract or any other Port Authority contract or matter. Any such conduct shall be deemed a material breach of this Contract.

As used herein "anything of value" shall include but not be limited to any (a) favors, such as meals, entertainment, transportation (other than that contemplated by the Contract or any other Port Authority contract), etc., which might tend to obligate the Port Authority employee to the Respondent, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment or business opportunity. Such term shall not include compensation contemplated by this Contract or any other Port Authority contract. Where used herein, the term "Port Authority" shall be deemed to include all subsidiaries of the Port Authority.

The Respondent shall insure that no gratuities of any kind or nature whatsoever shall be solicited or accepted by it and by its personnel for any reason whatsoever from the passengers, tenants, customers or other persons using the Facility and shall so instruct its personnel.

In addition, during the term of this contract, the Respondent shall not make an offer of employment or use confidential information in a manner proscribed by the Code of Ethics and Financial Disclosure dated April 11, 1996 (a copy of which is available upon request to the Office of the Secretary of the Port Authority). The Respondent shall include the provisions of this clause in each subcontract entered into under this Contract.

#### **E. DEFINITIONS**

As used in this section, the following terms shall mean:

Affiliate - Two or more firms are affiliates if a parent owns more than fifty percent of the voting stock of each of the firms, or a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the firms, or if the firms have a common proprietor or general partner.

Agency or Governmental Agency - Any federal, state, city or other local agency, including departments, offices, public authorities and corporations, boards of education and higher education, public development corporations, local development corporations and others.

Investigation - Any inquiries made by any federal, state or local criminal prosecuting agency and any inquiries concerning civil anti-trust investigations made by any federal, state or local governmental agency. Except for inquiries concerning civil anti-trust investigations, the term does not include inquiries made by any civil government agency concerning compliance with any regulation, the nature of which does not carry criminal penalties, nor does it include any background investigations for employment, or Federal, State, and local inquiries into tax returns.

Officer - Any individual who serves as chief executive officer, chief financial officer, or chief operating officer of the Bidder by whatever titles known.

Parent - An individual, partnership, joint venture or corporation which owns more than 50% of the voting stock of the Bidder.

If the solicitation is a Request for Response:

Bid - shall mean Response;

Bidder - shall mean Respondent;

Bidding - shall mean submitting a Response.

In a Contract resulting from the taking of bids:

Bid - shall mean bid;

Bidder - shall mean Bidder;

Bidding - shall mean executing this Contract.

In a Contract resulting from the taking of Responses:

Bid - shall mean Response;

Bidder - shall mean Respondent;

Bidding - shall mean executing this Contract.

#### **F. CONFLICT OF INTEREST**

During the term of this Contract, you shall not participate in any way in the preparation, negotiation or award of any contract (other than a contract for your own services to the Authority) to which it is contemplated the Authority may become a party or participate in any way in the review or resolution of a claim in connection with such a contract, if you have substantial financial interest in the contractor or potential contractor of the Authority or if you have an arrangement for future employment or for any other business relationship with said contractor or potential contractor, nor shall you at any time take any other action which might be viewed as or give the appearance of a conflict of interest on your part. If the possibility of such an arrangement for future employment or for another business arrangement has been or is the subject of a previous or current discussion or if you have reason to believe such an arrangement may be the subject of future discussion, or if you have any financial interest, substantial or not, in a contractor or potential contractor of the Authority, and your participation in the preparation, negotiation or award of any contract with such a contractor or the review or resolution of a claim in connection with such a contract is contemplated or if you have reason to believe that any other situation exists which might be viewed as or give the appearance of a conflict of interest you shall immediately inform the Director in writing of such situation giving the full details thereof. Unless you receive the specific written approval of the Director, you shall not take the contemplated action which might be viewed as or give the appearance of a conflict of interest. In the event the Director shall determine that the performance by you of a portion of your services under this Contract is precluded by the provisions of this numbered paragraph, or a portion of your said service is determined by the Director to be no longer appropriate because of such preclusion, then the Director shall have full authority on behalf of both parties to order that such portion of your services not be performed by you, reserving the right, however, to have the services performed by others and reserving the right to reduce the lump sum compensation as he/she may deem reasonable in his/her sole discretion. Your execution of this Contract shall constitute a representation by you that at the time of such execution you know of no circumstances, present or anticipated, which come within the provisions of this paragraph or which might otherwise be viewed as or give the appearance of a conflict of interest on your part.

### **38. CONFIDENTIAL INFORMATION/NON-PUBLICATION**

- A. As used herein, confidential information ("CI") shall mean all information disclosed to the Contractor or the personnel provided by the Contractor hereunder which relates to the Authority's and/or PATH's past, present, and future research, development and business activities including, but not limited to, software and documentation licensed to the Authority or proprietary to the Authority and/or PATH and all associated software, source code procedures and documentation. Confidential information shall also mean any other tangible or intangible information or materials including but not limited to computer identification numbers, access codes, passwords, and reports obtained and/or used during the performance of the Contractor's Services under this Contract.
- B. Confidential information shall also mean and include collectively, as per The Port Authority of New York & New Jersey Information Security Handbook (October 15, 2008, corrected as of February, 9 2009), Confidential Proprietary Information, Confidential Privileged Information and information that is labeled, marked or otherwise identified by or on behalf of the Authority so as to reasonably connote that such information is confidential, privileged, sensitive or proprietary in nature. Confidential Information shall also include all work product that contains or is derived from any of the foregoing, whether in whole or in part, regardless of whether prepared by the Authority or a third-party or when the Authority receives such information from others and agrees to treat such information as Confidential.

The Handbook and its requirements are hereby incorporated into this agreement and will govern the possession, distribution and use of CI if at any point during the lifecycle of the project or solicitation it becomes necessary for the Contractor to have access to CI. Protecting sensitive information requires the application of uniform safeguarding measures to prevent unauthorized disclosure and to control any authorized disclosure of this information within the Port Authority or when released by the Port Authority to outside entities. The following is an outline of some of the procedures, obligations and directives contained in the Handbook:

- (1) require that the Contractor and subcontractors, when appropriate, sign Non-Disclosure Agreements (NDAs), or an Acknowledgment of an existing NDA, provided by the Authority as a condition of being granted access to Confidential Information categorized and protected as per the Handbook;
- (2) require that individuals needing access to CI be required to undergo a background check, pursuant to the process and requirements noted in § 3.2 of the Information Security Handbook.
- (3) require Contractors and commercial enterprises to attend training to ensure security awareness regarding Port Authority information;
- (4) specific guidelines and requirements for the handling of CI to ensure that the storage and protection of CI;
- (5) restrictions on the transfer, shipping, and mailing of CI information;
- (6) prohibitions on the publication, posting, modifying, copying, reproducing, republishing, uploading, transmitting, or distributing CI on websites or web pages. This may also include restricting persons, who either have not passed a pre-screening background check, or who have not been granted access to CI, from viewing such information;
- (7) require that CI be destroyed using certain methods, measures or technology pursuant to the requirements set forth in the Handbook;
- (8) require the Contractor to mandate that each of its subcontractors maintain the same levels of security required of the Contractor under any Port Authority awarded contract.

(9) prohibit the publication, exchange or dissemination of CI developed from the project or contained in reports, except between Contractors and subcontractors, without prior approval of the Port Authority;

(10) require that CI only be reproduced or copied pursuant to the requirements set forth in the Handbook.

C. The Contractor shall hold all such Confidential Information in trust and confidence for the Authority, and agrees that the Contractor and the personnel provided by the Contractor hereunder shall not, during or after the termination or expiration of this Contract, disclose to any person, firm or corporation, nor use for its own business or benefit, any information obtained by it under or in connection with the supplying of services contemplated by this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not violate in any manner any patent, copyright, trade secret or other proprietary right of the Authority or third persons in connection with their services hereunder, either before or after termination or expiration of this Contract. The Contractor and the personnel provided by the Contractor hereunder shall not willfully or otherwise perform any dishonest or fraudulent acts, breach any security procedures, or damage or destroy any hardware, software or documentation, proprietary or otherwise, in connection with their services hereunder.

D. Audits for Compliance with Security Requirements

The Port Authority may conduct random or scheduled examinations of business practices under this section entitled "CONFIDENTIAL INFORMATION/NON-PUBLICATION" and the Handbook in order to assess the extent of compliance with security requirements, Confidential Information procedures, protocols and practices, which may include, but not be limited to, verification of background check status, confirmation of completion of specified training, and/or a site visit to view material storage locations and protocols.

E. The Contractor shall not issue nor permit to be issued any press release, advertisement, or literature of any kind, which refers to the Port Authority or to the fact that goods have been, are being or will be provided to it and/or that services have been, are being or will be performed for it in connection with this Contract, unless the vendor first obtains the written approval of the Port Authority. Such approval may be withheld if for any reason the Port Authority believes that the publication of such information would be harmful to the public interest or is in any way undesirable.

**39. PROVISIONS OF LAW DEEMED INSERTED**

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included therein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

**40. INVALID CLAUSES**

If any provision of this Contract shall be such as to destroy its mutuality or to render it invalid or illegal, then if it shall not appear to have been so material that without it the Contract would not have been made by the parties, it shall not be deemed to form part thereof but the balance of the Contract shall remain in full force and effect.

**41. NO ESTOPPEL OR WAIVER**

The Authority shall not be precluded or estopped by any acceptance, certificate or payment, final or otherwise, issued or made under this Contract or otherwise issued or made by it, the Director or any

officer, agent or employee of The Authority, from showing at any time the true amount and character of Work performed, or from showing that any such acceptance, certificate or payment is incorrect or was improperly issued or made; and The Authority shall not be precluded or estopped, notwithstanding any such acceptance, certificate or payment, from recovering from the Contractor any damages which it may sustain by reason of any failure on its part to comply strictly with this Contract, and any monies which may be paid to it or for its account in excess of those to which it is lawfully entitled.

#### **42. NON-LIABILITY OF THE AUTHORITY REPRESENTATIVES**

Neither the Commissioners of the Authority, nor any officer, agent, or employee thereof shall be charged personally by the Contractor with any liability or held liable under any term or provision of this Contract, or because of its execution or attempted execution, or because of any breach hereof.

#### **43. MODIFICATION OF CONTRACT**

No change in or modification, termination or discharge of this Contract, in any form whatsoever, shall be valid or enforceable unless it is in writing and signed by the party to be charged therewith or his duly authorized representative, provided, however, that any change in or modification, termination or discharge of this Contract expressly provided for in this Contract shall be effective as so provided.

#### **44. M/WBE GOOD FAITH PARTICIPATION**

The Contractor shall use every good-faith effort to meet the goals set forth in the clause of the Selection Process Document entitled "M/WBE Subcontracting Provisions" for participation by Port Authority certified M/WBEs as defined in this document, in the purchasing and subcontracting opportunities associated with this contract, including purchase of equipment, supplies and labor services.

Good Faith efforts to include participation by MBEs/WBEs shall include the following:

- a. Dividing the services and materials to be procured into small portions, where feasible.
- b. Giving reasonable advance notice of specific contracting, subcontracting and purchasing opportunities to such MBEs/WBEs as may be appropriate.
- c. Soliciting services and materials, to be procured, from the Directory of MBEs/WBEs. The Authority has a list of certified MBE/WBE service firms which is available to you at <http://www.panynj.gov/business-opportunities/supplier-diversity.html>.
- d. Ensuring that provision is made to provide progress payments to MBEs/WBEs on a timely basis.
- e. Observance of reasonable commercial standards of fair dealing in the respective trade or business.

Either prior or subsequent to Contract award, the Contractor may request a full or partial waiver of the M/WBE participation goals set forth in this Contract by providing documentation demonstrating to the Manager, for approval by the Port Authority's Office of Business and Job Opportunity, that its good faith efforts did not result in compliance with the goals set forth above because participation by eligible M/WBEs could not be obtained at a reasonable price or that such M/WBEs were not available to adequately perform as subcontractors. The Contractor shall provide written documentation in support of its request to the Manager. The documentation shall include, but not be limited to, documentation demonstrating good faith efforts as described above, which may include, proof that the Authority's directory does not contain M/WBEs in this specific field of work, a list of organizations contacted to obtain M/WBEs, and/or a list of M/WBEs contacted and their price quotes. If approved by the Authority's Office of Business and Job Opportunity, the Manager will provide written approval of the modified or waived M/WBE Participation Plan.

Subsequent to Contract award, all changes to the M/WBE Participation Plan must be submitted via a modified M/WBE Participation Plan to the Manager for review and approval by the Authority's Office of Business Diversity and Civil Rights. For submittal of modifications to the M/WBE Plan, Contractors are directed to use form PA3749C, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Contractor shall not make changes to its approved M/WBE Participation Plan or substitute M/WBE subcontractors or suppliers for those named in their approved plan without the Manager's prior written approval. Unauthorized changes or substitutions, including performing the work designated for a subcontractor with the Contractor's own forces, shall be a violation of this section. Progress toward attainment of M/WBE participation goals set forth herein will be monitored throughout the duration of this Contract.

The Contractor shall also submit to the Manager, along with invoices, the Statement of Subcontractor Payments as the M/WBE Participation Report, form PA3968, which may be downloaded at <http://www.panynj.gov/business-opportunities/become-vendor.html>. The Statement must include the name and business address of each M/WBE subcontractor and supplier actually involved in the Contract, a description of the work performed and/or product or service supplied by each such subcontractor or supplier, the date and amount of each expenditure, and such other information that may assist the Manager in determining the Contractor's compliance with the foregoing provisions.

If, during the performance of this Contract, the Contractor fails to demonstrate good faith efforts in carrying out its M/WBE Participation Plan and the Contractor has not requested and been granted a full or partial waiver of the M/WBE participation goals set forth in this Contract, the Authority will take into consideration the Contractor's failure to carry out its M/WBE Participation Plan in its evaluation for award of future Authority contracts.

#### **45. HARMONY**

- A. The Contractor shall not employ any persons or use any labor, or use or have any equipment, or permit any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies at the Facility which interfere or are likely to interfere with the operation of the Port Authority or with the operations of lessees, licensees or other users of the Facility or with the operations of the Contractor under this Contract.

The Contractor shall immediately give notice to the Port Authority (to be followed by written notices and reports) of any and all impending or existing labor complaints, troubles, disputes or controversies and the progress thereof. The Contractor shall use its best efforts to resolve any such complaint, trouble, dispute or controversy. If any type of strike, boycott, picketing, work stoppage, slowdown or other labor activity is directed against the Contractor at the Facility or against any operations of the Contractor under this Contract, whether or not caused by the employees of the Contractor, and if any of the foregoing, in the opinion of the Port Authority, results or is likely to result in any curtailment or diminution of the services to be performed hereunder or to interfere with or affect the operations of the Port Authority, or to interfere with or affect the operations of lessees, licensees, or other users of the Facility or in the event of any other cessation or stoppage of operations by the Contractor hereunder for any reason whatsoever, the Port Authority shall have the right at any time during the continuance thereof to suspend the operations of the Contractor under this Contract, and during the period of the suspension the Contractor shall not perform its services hereunder and the Port Authority shall have the right during said period to itself or by any third person or persons selected by it to perform said services of the Contractor using the equipment which is used by the Contractor in its operations hereunder as the Port Authority deems necessary and without cost to the Port Authority. During such time of suspension, the Contractor shall not be entitled to any compensation. Any flat

fees, including management fees, shall be prorated. Prior to the exercise of such right by the Port Authority, it shall give the Contractor notice thereof, which notice may be oral. No exercise by the Port Authority of the rights granted to it in the above subparagraph shall be or be deemed to be a waiver of any rights of termination or revocation contained in this Contract or a waiver of any rights or remedies which may be available to the Port Authority under this Contract or otherwise.

- B. During the time that the Contractor is performing the Contract, other persons may be engaged in other operations on or about the worksite including Facility operations, pedestrian, bus and vehicular traffic and other Contractors performing at the worksite, all of which shall remain uninterrupted.

The Contractor shall so plan and conduct its operations as to work in harmony with others engaged at the site and not to delay, endanger or interfere with the operation of others (whether or not specifically mentioned above), all to the best interests of the Port Authority and the public as may be directed by the Port Authority.

#### **46. Increase and Decrease in Areas or Frequencies**

The Director shall have the right, at any time and from time to time in his sole discretion, to increase and/or decrease the frequencies of all or any part of the services required hereunder or to add areas not described herein in the Specifications or remove areas or parts of areas which are hereunder so described. In the event the Superintendent/Manager decides to change any frequencies or areas such change shall be by written notice not less than 24 hours, said changes to be effective upon the date specified in said notice.

In the event of an increase or decrease in areas or frequencies, the Contractor's compensation will be adjusted to reflect such change in areas or frequencies utilizing the applicable hourly rates for such services (for the applicable Contract year) as set forth on the Authority-accepted Pricing Sheet(s).

Where no specific Unit Price has been quoted for the type of services to be increased or decreased, the Manager shall have the right to negotiate the compensation to reflect such change, whether an increase or decrease in areas or frequencies, which, in the opinion of the Manager, are necessary to complete the work, by multiplying the increased or decreased amount by the negotiated rate.

In the event of a decrease, the Contractor shall not be entitled to compensation for Work not performed.

No such changes in areas or frequencies will be implemented which results in a total increase or decrease in compensation that is greater than 50% of the Total Estimated Contract Price for the Base Term or, if changes are to be implemented during an Option Period, 50% for that Option Period.

Any increases in frequencies or areas shall not constitute Extra Work and, as such, shall not be limited by the Extra Work provisions of this Contract.

## ATTACHMENT C: SCOPE OF WORK

### 1. Background

The Port Authority is an extensive owner and/or operator of many unique properties in New York and New Jersey. The Authority is both landlord and lessor in many properties. Properties in which the Authority has interest range from airport terminals to small vacant parcels adjacent to railroad tracks. The Authority also has significant developable air rights above its properties – e.g. above the Lincoln Tunnel Expressway in New York City.

The following list represents some properties in which the Authority has interest:

#### A. Aviation:

John F. Kennedy International Airport;  
LaGuardia Airport;  
Newark Liberty International Airport;  
Stewart International Airport;  
Teterboro Airport.

#### B. Marine Terminals:

Port Jersey-Port Authority Marine Terminal;  
Brooklyn-Port Authority Marine Terminal;  
Port Elizabeth-Port Authority Marine Terminal;  
Howland Hook Marine Terminal;  
Port Newark – Port Authority Marine Terminal

#### C. Greenville Yards

#### D. Red Hook Terminal

#### E. Bus Terminals:

Port Authority Bus Terminal;  
George Washington Bridge Bus Station;  
Journal Square Transportation Center (operated by PATH).

#### F. Rail Terminals and rail rights of way:

Journal Square Transportation Center and other PATH Stations;  
PATH Rail Transit System.

#### G. Real Estate & Development:

Bathgate Industrial Park;  
Essex County Resource Recovery Facility;  
Industrial Park at Elizabeth;  
Newark Legal and Communication Center,  
Queens West Waterfront Development;  
The Hoboken South Waterfront Development.

#### H. The Teleport

**I. World Trade Center Redevelopment:**

One World Trade Center  
Towers 2, 3, 4  
Site 5  
7 WTC  
Retail  
9/11 Memorial & Museum  
Performing Arts Center (potential)  
Balance of WTC Site Common Areas including Hub/Oculus

The Authority is a landlord to hundreds of tenants and is responsible for approximately 65 million square feet of buildings and 15,000 acres of property it owns or leases at its various facilities. It is also a lessee in over 1.3 million square feet of office space used by its own employees.

The following list represents some of the departments that will use the System to record data related to the Authority's properties, leases, and other property-related information:

- A. Aviation:
  - 40 people who record such data ("Users")
  - 240 leases
  - Over 1,000 other agreements (permits, licenses, etc.)
  
- B. Port Commerce:
  - 15 users
  - 100 leases
  - 50 other agreements
  
- C. Real Estate:
  - 4 users
  - 20 leases
  - 16 fiber optic agreements
  
- D. PATH:
  - Property representation functions performed by the Real Estate Department
  - 20 leases
  - 10 permits
  
- E. Tunnels, Bridges and Terminals:
  - Property representation functions performed by the Real Estate Department
  - 80 leases
  - About 70 additional agreements
  
- F. World Trade Center Redevelopment
  - 3 Users
  - 25 leases
  
- G. Comptroller's Department
  - 14 Users

All leases

## 2. Data Elements:

The Users in the aforementioned departments capture the data elements represented in Attachment D ("Data Elements") of the Selection Process Document. The System shall have fields to represent the Data Elements.

## 3. General Requirements:

The Contractor shall provide, install, configure (if necessary), implement and maintain either (1) web-accessible software license-based Real Estate Lease Administration and Database System or (2) a web-accessible subscription service to such a System. The System will be used (on a 24x7 basis) as a readily accessible, comprehensive data source for all real properties, leases, and permits and other documents associated with the Authority. Moreover, the Contractor shall provide training to the Authority on the use of the System.

During the duration of the Contract, and based on the selection of the preferred option by the Authority, the Contractor shall provide either:

- A software subscription service, inclusive of software usage and software maintenance and support services, user training, software escrow and a user acceptance test within a mutually acceptable time; or
- A software license-based system, including user training, software escrow, and a user acceptance test within a mutually acceptable time, followed by software maintenance and support services.

The Contractor shall provide the System either as an integrated software suite of applications or as stand-alone applications that work together and provide the following:

- Consistent user interface;
- Access to a common data set that is current and accurate through a centralized database;
- Interface with external systems through an open systems architecture.

## 4. User Population, Volumes, and Access:

The System will eventually be used as follows:

- On a regular basis for the workflow process (creating, editing, inquiries): 66 users
- On an infrequent (occasional) basis for the workflow process and inquiries: 58 users

Users shall access all applications from workstations that are remotely located from the servers. The operational capabilities provided in all workstations shall be identical. The System shall provide the capability for multiple users at different workstations to access the same applications concurrently. Only authorized personnel shall access the System through a secure web-enabled interface on normal Authority Desktops.

### Wireless Access

The System shall provide the capability to communicate with a laptop computer, and other wireless portable handheld devices through a secure web-enabled interface that will allow only authorized operations personnel to remotely access applications. The Contractor shall use a URL assigned by the Authority for this purpose.

### Screen Display and User Control

The System should provide critical information on all screens to allow for community in viewing. Headings should be standardized, and appear in a consistent manner throughout all presentation formats of the System on both the Screen or in Reports.

### Application Access Permissions

The software shall provide the capability to restrict user access to specific applications based on the user login procedure. Each user name shall be associated with a list of applications in the System that the user has permission to access and the level of access permitted. An additional restriction on which applications a user can access shall also be based on the workstation location.

Permissions to access the applications shall be initially configured by the Contractor as part of the setup process and approved by the Authority's Contract Administrator.

The software shall provide the capability to allow the Applications and System Administrator to examine, modify and print the list of user access permissions. This capability will enable the Application and System Administrators to change the access permissions assigned to each user on-line, without requiring a compilation or regeneration of any of the applications software.

### Access Privileges for Individual Applications

The application software shall support four levels of application access security, in addition to one for system administration, and be capable of storing a minimum of 128 user passwords and associated access levels. The access level shall determine which functions the user can implement on those applications, based upon which access is granted. User access to application functions shall be configured by the Contractor and approved by the Authority's Contract Administrator.

The application software shall provide the capability to allow the Contract Administrator to examine, modify and print the list of user functions associated with each access level. This capability will enable the Contract Administrator to change the user functions assigned to each access level on-line, without requiring a compilation or regeneration of the application software.

## **5. Business Needs and Key Functional Requirements**

The System will be used to support basic business needs, including but not limited to:

- Property Management;
- Lease Administration;
- Archive Data Storage
- Marketing, negotiating, and pricing strategy;
- Work flow;
- Report Generation;
- Document Storage and Tracking; and
- Decision-making with regard to acquisitions, dispositions and other transactions.

Key functional requirements of the System shall include but not be limited to the following:

#### A. Archive Data Storage Feature

The System shall have an archive data storage feature that must be user friendly and easily accessible from current, active system records. An example of when, and how, this feature would be used: An agreement with a tenant expires, and the tenant vacates the space. The agreement with the former tenant archived. However, some time later, the same tenant wants to rent space again. A new agreement is executed and, using the Archive Data Storage Feature, a link from new, active agreement to archived agreement can be easily established by the User.

Archive records must be easily searchable and offer standard and ad-hoc reporting capability.

#### B. Lease Workflow

There is a standardized workflow process for executing leases at the Port Authority, which is represented by the chart included in Attachment I hereto.

The Contractor must also develop a graphical workflow process map depicting the interrelationships of the involved Authority departments and third parties.

#### C. Document Management

The System shall include a document management subsystem that is compatible with the systems indicated in Attachment J, specifically with Open Text Livelink, where many types of documents can be stored and retrieved in reference to many of the Data Element records/tables referenced in Attachment D. Reports shall be downloadable to formats that can be easily manipulated and printed (e.g. Excel, Word), and all sections, screens and documents should have print capabilities. The types of documents for System storage and retrieval (in appropriate format) will include but are not limited to:

- Leases, permits, appraisals, and other agreements (multiple formats - MS Word, Adobe Acrobat PDF, etc.);
- Insurance certificates;
- Billing advices to Revenue Accounting Division, Comptroller's Department;
- Floor and site plans;
- Maps;
- Photographs; and
- Security deposit agreements.

#### D. Automatic Notification

The System shall provide for email notifications, and generate automatic date-sensitive tickler e-mail notifications to Port Authority property representatives for events such as:

- Lease expirations and options to renew
- Escalations and rent bumps, including but not limited to additional rents/credits due to thresholds (e.g. MAVG-Minimal Annual Vehicle Guarantee, number of containers per year, etc.)
- Late rent payment (10- and 30-day notices, eviction notice, etc.)
- Letter regarding property condition (e.g. cleanliness, etc.)
- Overdue items
- Pending due items

The System must also be able to generate multiple reminders to multiple recipients.

Note: The amount of advanced notice for any particular property/agreement should be user-configurable.

#### E. Reporting

The System shall be provided with the Respondent's standard reports that have been modified to reflect the configuration of the applications furnished as part of this Contract.

Additionally, the Contractor shall develop the reports that are specified in this subsection for each application.

Critical information shall be provided on all reports to allow for community reading. Headings should be standardized (Name, Date, Page Numbers, Totals, etc.) and appear in a consistent manner throughout all presentation formats of the System.

All reports shall have the capability to be displayed and easily scrolled on the viewer's access terminals, sent to a choice of any network printer at the user's facility and distributed via e-mail over the Authority's existing wide area network.

#### Custom Reports:

The Contractor shall develop custom reports that will be defined by the Port Authority subsequent to contract award and the Contractor shall develop these reports when requested by the Authority as part of its normal support services.

#### General

Reporting requirements include both standard and ad-hoc reports. The standard reports should be obtainable by all departments and facilities, with flexible sorting options. For example, reports should be easily sortable by department or facility so a user can quickly find all information related to the Aviation Department or the John F. Kennedy International Airport. In addition, certain summary-level reports should be available at the corporate level. They should be downloadable to formats that can be easily manipulated and printed (e.g. Excel, Word). The standard reports include but are not limited to the following:

- All leases and/or subleases;
- All agreements with percentage rent provisions;
- All space permits;
- All privilege permits;
- All agreements with a particular entity;
- All tenants by location;
- Availability;
- Square footage-total and available (gross and useable);
- Vacant land-parcels and acreage, by geographic location;
- Performance metrics including status of unexecuted/executed leases, agreements and permits, timeliness measures (e.g. times to execute by various sorting criteria (department, type of agreement, etc.); and
- Management Reports:  
List of Approvers by Approver and alternate(s)

Workflow Approvals	by Approver by Lease Contract by Step in the Workflow Process
Expiring Leases	by expired report by 6 months by 12 months by Property Representative by Facility by Department by Attorney/Law
Expired Certificate Of Insurance Report	by Property Representative by Facility by Lease by Risk Management staff
Lease Details	Contract details
Vacant Space	by Property Representative by Facility by Department
Lease Extension Report	by Property Representative by Facility by Department by Attorney/Law
Utility and Usage Report	by Facility by Lease

(It is anticipated that the development of additional reports will be determined during the implementation of the selected System).

In addition to providing an ad-hoc reporting tool, the System shall also be able to provide:

- Savable custom report design capabilities, specifically for non-technical users
- Reports listing all automatic tickler e-mail notifications
- Integrated reporting capabilities, as there is a need to produce cross system reports

#### F. Interfacing with Other Systems

The System must be able to support integration points for the following:

- SAP. SAP is the core financial system of the Authority. **The Authority intends to continue to use SAP to record financial transactions related to real estate.** Therefore, the System will need to be able to access real estate-related financial records that currently reside in SAP (e.g., in the Accounts Receivable and revenue/billing [**flexible real estate**] modules), which is used to record financial transactions (e.g. invoicing) related to the Port Authority properties.

- The Authority's Base Map Management System (BMMS), built on the Autodesk MapGuide GIS application. The content is aerial photography of the Port Authority's facilities laid out in a grid system for providing base maps for developing contract drawings. This system provides the Authority with the ability to retrieve maps at various levels, including facility, property, lease, etc. Compatibility with other standard GIS applications, such as ESRI ArcGis, may also be included.
- The electronic mail subsystem provided should be SMTP compliant.
- Easily exportable report data to standard database, spreadsheet, and word processing tools

#### G. Miscellaneous

The System must also be able to:

- track vacant properties;
- keep appraisal information reports;
- query by all data elements specified in Attachment D, hereof;
- track the leasing of variable open area spaces ( i.e., warehouse, open area, berth, upland area from the berth, apron area of the berth, riparian areas, etc);
- have infinite variability on escalation clauses;
- track the leasing of various rates (i.e., per square feet (building and open area), per linear feet (berth area), per useable square feet (Office), per rentable square feet (Office) and the escalation as it may pertain to the Consumer Price index (CPI);
- provide reports on the above information and including but not limited to occupancy space, as well;
- provide detail information on space (i.e., warehouse – dry storage, cold storage, freezer, etc.).

Furthermore, the System shall provide the capability to calculate, determine, apply and bill tenants' various rent escalations. The System shall be able to calculate from a CPI table an index increase, based on specific criteria, then compare the index increase to a predetermined minimum (e.g. 2%) and maximum (e.g. 4%) annual percentage increase. The System shall also be able to calculate from a CPI table an index increase, based on specific criteria, then compare the index increase to a predetermined minimum (dollar amount) and maximum (dollar amount) annual increase. The System shall be able to interact with SAP in order to bill the tenant on its percentage increase anniversary date the appropriate increase.

#### 6. Deliverables

The scope of work under Deliverables covers three Stages: Planning, Implementation, and Support. Generally, the requirements for each stage are:

- Planning: Identification of features and functions the Authority requires that are (and are not) included in the standard configuration of the Contractor's system; development and execution of the modifications required to implement new or special features; identification of all hardware requirements; development of the conversion process and requirements from the existing system used by the Authority to the new System from the Contractor; and such other planning activities as may be required to ensure a smooth implementation stage.
- Implementation: System installation, System configuration, conversion of existing data into the new System, training, and warrantee.
- Support: On-going support, maintenance, and problem solving.

Specific deliverables and their requirements are described in the sections that follow.

## 1) PLANNING STAGE

Prior to the Feature and Function Description mentioned below, the Contractor shall identify the features and functions the Authority requires that are and are not included in the standard configuration of the Contractor's System. This effort shall result in the development (and maintenance) of a business requirements tracking matrix and gap analysis, otherwise known herein as a Feature and Function Description, which is described below.

### A. Feature and Function Description

The Contractor shall prepare, for Authority approval, a document ("Feature and Function Description", "FFD") that lists the features and functions required by this SOW (a) that are available as standard capabilities in the Contractor's System, (b) that will require modification of the standard application, and (c) that cannot be provided. The FFD also shall list any features or capabilities of the standard application that have not been described or requested in this SOW, describing the advantage(s) such features could provide Authority.

Within the FFD, the Contractor shall confirm the applicability and use of all application functions to the Authority operating environment. Any discrepancies of the operation of an Authority business function as presently practiced compared with the operation of the business function as performed using the Contractor's application solution shall be highlighted in the FFD. Prior to preparing the FFD, the Contractor shall describe the method and tasks that will be performed in order to prepare this documentation and shall obtain Authority concurrence with the approach and format of the deliverable.

Any development work for features selected by the Authority shall be performed in accordance with industry-standard development methodologies acceptable to the Authority. For such work, therefore, the Contractor shall provide all analytical and design documentation in a timely manner for the Authority's approval prior to the initiation of development. The Contractor shall be responsible for all aspects of development including unit, System and user acceptance testing, and any capabilities developed for the Authority shall be fully integrated into the vendor's baseline software application.

### B. Hardware Plan (for a Software License-Based System)

The Contractor shall prepare a detailed description ("Hardware Plan") of the platform required for support of the application including the equipment and software that compose the platform, for Authority approval. All hardware, operating systems, communications components, and third-party software shall be described, and there shall be a clear indication of what components are to be supplied by the Contractor, and which the Authority must acquire from other sources. The proposed platform shall be adequate for support of the Authority environment at System inception and capable of supporting that environment without further investment in the platform for a period of five (.5) years after System implementation.

The Contractor shall recommend in writing the infrastructure that will best achieve the Authority's objective for a balance of ease of operation, operating performance, fit within current infrastructure and cost-effectiveness in operation. The recommendation shall include hardware, operating system, security, server, and database elements. The Authority shall install Contractor recommended and

Authority approved additional infrastructure components at its facilities in accordance with the Project Plan.

The Contractor will be required to deliver a formal report in which the Authority environment is described and analyzed with respect to hardware and software demands, both present and projected into the future. The report shall be based on the platform recommended by the Contractor, and shall recommend equipment and software appropriate for support of the application over the base period of the contract (which includes a one-year warranty and five years of maintenance), and toward the conclusion of the base period of the contract, provide the Authority with a plan for equipment and software plan for supporting the application over the option periods of the contract.

It shall consider all aspects of the implementation of such a recommended hardware/software platform in the Authority environment, including security, reliability and availability, networking and communications, pricing, acquisition, delivery timetables, licensing, installation and on-going support. Equipment, software and licenses shall be described in terms of manufacturer, make, model, version and pricing, so that such descriptions are suitable for use in acquiring such components with no further research on the part of the Authority. Recommendations must adhere to and be compatible with the Standards and Guidelines for Port Authority Technology (Attachment J).

#### C. Implementation Plan

The Implementation Stage includes System installation, System configuration, conversion and training. The Contractor shall prepare a detailed set of tasks ("Implementation Plan") that will be performed. All aspects of the transition from the present system to the new System shall be presented, including a projected timetable. Tasks shall be identified, described, and shown with start and ending dates. Each task shall identify and describe all equipment and personnel resources that are required.

The Contractor shall ensure that the operating environment is successfully and efficiently supported by its application, and that the implementation strategy does not result in personnel being confronted with unreasonable workloads (with respect to the vendor's application).

In presenting this information, the Contractor shall emphasize the means by which progress will be measured by the Authority, in a quantifiable, predictable and unambiguous manner. Each task shall describe how the Authority will accept that the task is complete, using intermediate, specific checkpoints to validate progress toward successful completion for tasks of durations greater than two (2) months. How the Authority, for example, will validate the successful conversion of data to the new System; can compare the System's operation to a parallel operation of the old system; and how the System can be determined to be acceptable for production use are items to be addressed in the Implementation Plan.

The principle of describing the validation method for the Authority to accept the successful completion of each discrete element of this work shall be present in all aspects of the Implementation Plan, including the training of the Authority personnel. The Contractor shall describe how customized training for the Authority and other Authority personnel will be organized and planned, how that training will be performed, and how the Authority can validate that its personnel have been adequately trained to operate without Contractor or vendor support.

Custom documentation emphasizing the use of hands-on training and actual manuals and reference materials shall be provided by the Contractor. Such documentation shall identify roles to be performed

by Authority personnel, and shall present for each role a collection of operational steps to take in use of the System to perform the business functions applicable to such role. The proposed means to prepare custom documentation that accurately reflects the Authority's business practices shall be described in the Implementation Plan.

D. Installation Plan of Technology Components

Within ten (10) days after receipt by the Contractor of the acceptance of its Response, the Contractor shall prepare and submit for approval, a detailed Installation Plan of Technology Components. The Installation Plan of Technology Components shall be coordinated with the Port Authority Technology Services Department and describe all the activities and tasks associated with the development, installation, integration, configuration and preparation of the System and all subsystem components. The Installation Plan shall also detail the stages of the System setup and configuration including the estimated time of completion for each stage. This plan shall be submitted for the Authority's Contract Manager's review, and only upon the Authority's Contract Manager's approval of the Installation Plan shall the Contractor commence the required Work.

The Installation Plan shall identify and describe all activities, tasks and stages of construction to be used in bringing the System to an operational state without disruption to current operation of the Authority. Elements of the Plan shall include but are not limited to: installation plan drawings and product installation literature for all primary components of the System; a schedule and plan for the installation of all devices, communications cable and computer hardware, development of custom software features and the loading of all software (with emphasis on what precautions shall be taken to minimize disruption of current operations); plans for the loading of the initial database; training; and, responsibilities for application administration during installation.

E. Conversion Plan:

The Contractor shall provide, as part of the Implementation Plan, a parallel processing schedule for these applications. The schedule shall include, at a minimum, each step to be performed and the duration of recommended parallel processing to ensure 100% accuracy and completeness in migrating/converting from the Authority's existing / legacy processes to the Contractor's new application.

The Contractor shall establish a sound, structured methodology for the conversion effort. As a foundation, the Contractor shall prepare a document that describes the mapping of existing database into the new applications database, both at the field and record level. This document shall not only describe such a mapping, but shall also describe the means that the Contractor will use to populate the new data structures with the old data, including the use of utilities and any one-time programs that will be developed specifically to support the conversion process. **Note that this "conversion" analysis, however, shall go beyond the use of the current automated system as a source for populating the new System data elements: for data elements needed by the new System that do not use the existing system as a source for data, the document shall describe the source of such data and the means by which the Contractor will physically utilize, retrieve the data from these sources and populate the new database, including the use of utilities, special programs developed for this purpose by the Contractor, or manual entry that will be performed by the Contractor's personnel.**

The Contractor shall provide a detailed plan to be used for managing and monitoring the conversion process. This plan shall describe all deliverables and intermediate deliverables that will be part of the

conversion process for all data sources and will present a timeline for their delivery. The plan shall include a set of activities and deliverables that shall, to the Authority's satisfaction, provide validation of successful population of the new System data elements.

F. Acceptance Test Plan

Testing activities shall be performed at multiple points during implementation per an Acceptance Test Plan developed by the Contractor and approved by the Authority. During installation, testing shall be performed as a means to validate the state of the System, and will be performed by a team consisting of personnel both from the Authority and from the Contractor. Any problems detected during testing must be corrected by the Contractor.

The Test Plan shall describe testing to validate that the System has been successfully installed, that data has been successfully converted, that the System has been properly configured to meet the Authority's operational model, and that System response times are suitable for support of the Authority's workloads. Testing shall include provisions for flexibly adjusting System time, day, month, and year values to permit confirmation that time/date dependent actions, transactions, and reporting functions and activities occur as required.

During performance testing, the System will be evaluated and metrics collected to record its performance under normal, projected workloads and will be examined under extreme loads in order to establish loads and load conditions that would produce System performance levels below that considered acceptable to the Authority. The Contractor shall indicate the remedial action that would be required should the extreme load conditions be achieved and provide an analysis projecting when the Authority might expect to experience such conditions.

Submittal Requirements for Testing:

- a) An Acceptance Test Plan shall be submitted to the Authority's Contract Manager for approval not less than 30 days prior to the proposed start of an acceptance test. The request shall include the estimated length of time required to complete the testing and shall include an agenda that identifies when each of the tests are scheduled to be conducted. The Acceptance Test Plan shall include, at a minimum, the following details:
  - A summary statement of the purpose and goal of each portion of the test plan
  - The method of testing: A description of the overall test environment including block diagrams showing the total test environment, relevant equipment interconnection and test equipment hook-up
  - List of the hardware and software used for the test.
  - Draft copies of all user manuals to enable test participants to become familiar with the System's operation.
  
- b) The Contractor shall submit detailed test procedures that demonstrate that every feature and function to be provided in the furnished hardware and software conforms to the requirements of the Contract. Identify the:
  - Steps for each test to be performed
  - Test purpose
  - Conditions which exist at the start of each test procedure

- Conditions/results expected at the conclusion of each test procedure
- The specification requirement that will be demonstrated by the test procedure.

Include space for recording the following:

- the actual test results,
  - check boxes for the test outcome (pass or fail),
  - dated signatures of both the person performing the test and the Authority's authorized representative, and
  - comments of the test witness(es)
- c) The Contractor shall describe the documents to be provided to the Authority's Contract Manager to validate the test results (reports, database listings, statistical analyses, message displays, etc.).
- d) Certification that the System passed pre-acceptance tests using the approved test procedure and a copy of the pre-acceptance test report indicating the results shall be submitted to the Contract manager for approval, not less than 10 calendar days prior to the scheduled start of the Acceptance Test.
- e) A test report shall be submitted to the Authority's Contract Manager after the completion of the Inspection and Test of the application. The report shall include two copies of the signed Acceptance Test document, including all annotations and notes from the actual tests and all failed test reports. The test report shall also state the test results and indicate the nature of any failure(s), the reasons for the failure(s), what corrective actions were taken and on which units the corrections were made, and a list of any outstanding items.

G. Warranty:

The Contractor shall provide Warranty services as an extended System validation mechanism that will commence when the entire System is accepted by the Authority at the conclusion of the Acceptance Test within a mutually acceptable timeframe. Warranty services shall apply to all functions as moved into production. Service levels, absent liquidated damages, shall apply during this interim period. Upon System acceptance, as defined above, and the start of the warranty period, service levels including liquidated damages shall be enforced.

This support shall include the analysis and removal of System defects, correction of any operational defects in documentation, adjustments required to improve System efficiency and performance, and responses to user questions and difficulties stemming from the use of the new System. The Contractor shall correct and adapt any System function whose operation is inconsistent with the Authority's operating practice or whose functionality was inaccurately portrayed or omitted from the FFD.

H. Service Support Plan

The Support Stage begins with the start of Warranty and ends upon Final Contract Completion. The Contractor shall prepare, subject to the Authority's approval, a Service Support Plan (SSP) that adheres to the requirements listed in Section 3 (Support Stage), below, and that describes the duties, obligations, and responsibilities of all parties during this Stage, in accordance with the following requirements:

- All components of the application solution provided by the Contractor, both proprietary and third party components, shall be included.

- The Contractor shall describe how it will provide System updates, enhancements, fixes, and all similar maintenance support activities to assure that the System remains in a current, updated state with respect to versions and releases, temporary fixes and on-going technical support.
- The Contractor shall describe how it will implement major releases or modifications that may occur during the Authority's project. Any such major releases or modifications shall be furnished to the Authority without charge throughout the duration of the Work.
- The Contractor shall describe how it will provide each of the Post-Implementation and Support service offerings, presenting not only the service offering but an operational perspective that illustrates the interaction of the Authority and the Contractor during service use, including (but not limited to) service activation, actions taken and resources supplied by the Contractor under the service, requirements and responsibilities of the Authority when using the service, and the means by which satisfactory completion of the service is measured.
- The Contractor shall describe how it will provide the Authority with a reporting, tracking and escalation process to be used for identification and resolution of operational problems encountered during the duration of the Support Stage. Reported problems may be either System defects or operational queries by users, but in either case, the Contractor shall resolve reported problems in a timely manner and to Authority's satisfaction. The Contractor shall permanently correct reported problems. Where some time is required to determine a suitable permanent solution, the Contractor shall provide effective temporary "work-arounds" that permit a reasonable circumvention of an operational problem. In the event of an emergency condition, the Authority may require dedicated assignment of Contractor personnel to establishing problem resolution; including having such personnel perform functions, including data recovery, on-site at Authority facilities for a license-based System.
- The Contractor shall describe how it shall include updates to the System in its escrow program.

i. Training Plan

The Contractor shall provide for the review and approval of a Training Plan that shall address all user training requirements in accordance with the requirements of the section entitled "Training".

After receipt of the draft Training Plan, the Authority will provide comments. The Contractor shall make appropriate changes to the Training Plan and resubmit it for Authority review, until Authority approval is received.

The Contractor shall submit to the Authority Contract Manager five copies of the approved Training Plan, not less than 30 days prior to the intended start date for training, that includes but is not limited to the following for each training class:

- Detailed description of the course curriculum;
- Draft copies of the course material including but not limited to manuals, study guides, workbooks, technical reference material, etc.;
- Comprehensive schedule for the delivery of all training classes;
- The dates, times and exact locations for the training courses. The training courses shall be held at an Authority facility, in a specific location designated by the Contract

- manager. The dates and times shall be coordinated with and approved by the Contract Manager;
- o Post-training and or on-the-job technical reference guides.

After completion of all Training Courses, the Contractor shall submit the following:

- o One unbound, reproducible master set of all manuals and a copy of each manual in a digital format that may be edited using Microsoft Word 2007. These master sets shall include a written non-disclosure and copyright waiver allowing the Authority to make unlimited copies, for its own use, of any copyrighted material within, royalty free, for a period of 99 years.

## 2) IMPLEMENTATION STAGE:

The Implementation Stage involves activities that are necessary to make fully operational the application base, all interfaces and any enhancements operational, and includes populating any application definitions required for the Authority environment and any data required for support of the Authority environment.

The Contractor shall provide all proprietary and third party software, and database software that is included in the System. Moreover, the Contractor shall supply all technical and operations personnel to install, configure and make fully operational the System represented by the aforementioned software components. Installation of the software components shall occur according to the approved Implementation Plan.

### A. Application Implementation:

The Contractor shall deliver a Real Estate Lease Administration Database System to the Authority that meets or exceeds the requirements set forth in this document. The System should be Commercial-Off-The-Shelf software to the maximum practical extent possible.

If the selected System is a Software License-Based System, the Authority will install, in accordance with the approved Hardware Plan, all hardware required for the successful implementation and on-going use of the Contractor's System. The Contractor shall install – or, at the Authority's option, supervise the installation of - onto the specified hardware, all application and other software required for the operation of the System.

If the selected System is a Subscription-based Service, the Contractor will install all hardware and software required for the successful implementation and on-going use of the Contractor's System on its servers. The Contractor shall install the specified hardware, all application and other software required for the operation of the System on its servers.

The Contractor shall perform all activities to make fully operational the System to the satisfaction of the Authority: the application base, all interfaces, and any enhancements, using platforms specified by Contractor and provided by the Authority, and including populating any application definitions and any data required for the Authority's environment.

All services and deliverables in this SOW pertain to the implementation of the Contractor's application and shall be provided in accordance with the Contractor's Implementation Plan that has been approved by the Authority.

B. Training:

The Contractor shall create and conduct a System Training Program that shall encompass hands-on classes for the entire user community, with requisite training materials and user manuals that will cover reporting and inquiry functions and System administration. The training shall be delivered at Authority facilities in separate sessions for each function. The Contractor shall create and maintain the training database to be used as part of the training program.

Training shall be of a quality and depth sufficient to permit personnel to satisfactorily operate and maintain the System application and application infrastructure, and to train others in the operation and maintenance of the System

The Contractor shall submit the training program for approval. The training classes shall be organized to be logical in sequence, and shall avoid overlapping or concurrent classes.

For each training module, the Contractor shall furnish written certifications for each person it trains to certify that they have passed a written test and demonstrated hands-on proficiency in the subject, and that they have acquired the knowledge and skills necessary to perform all required tasks.

All courses shall consist of a combination of classroom and hands-on instruction. For most practical subjects, the expected portion of class time to be spent on hands-on activities is thirty (30) to fifty (50) percent. The classroom and hands-on shall be integrated so that the hands-on training reinforces the topics covered in the classroom. The Contractor may employ additional suitable training methods necessary to properly develop the skills of Authority trainees. Training shall include classroom and hands-on instruction through the use of the actual application, with additional support through the use of manuals, diagrams, and actual work products of the System.

The Contractor shall assume no knowledge of the features of the application or application infrastructure on the part of the designated personnel, and shall design the training program to bring the level of student knowledge to one fully adequate for the objective. The program objective should be an employee who can satisfactorily operate, and maintain the application. The Contractor may assume that all personnel possess the basic qualifications of their positions. The Contractor's approach to this effort shall be based on the assumption that the Contractor's own interests, immediate and ultimate, are best served by a satisfactory program. All courses of instruction shall be presented in the English language.

The training material shall be accurate, complete, of professional quality, and shall have been approved by the Authority prior to the first class.

The training shall provide in-depth instruction covering all subjects.

All training materials used in the training programs shall become the property of the Authority at the completion of the training program. The Contractor shall be responsible for the condition of these materials for the duration of the training program, and shall replace all damaged materials unless the damage results from the Authority's negligence. Lesson plans shall be updated as required during the course of instruction.

Written and practical skills inventories shall be designed and given at suitable points in each course to determine the extent to which participants have learned and can apply the information.

The Authority may choose to record the training sessions (by video, audio, or both) and shall have all rights to said recordings.

The program shall be conducted at the Authority, and shall include classroom and hands-on instruction. The Contractor shall provide an adequate supply of high quality, professionally prepared material on paper, and such other training aids as may be necessary to impart the essential knowledge to the people involved and leave them with authoritative and up-to-date reference material. The program shall include steps to determine the proficiency of the students.

Classroom Registration and Scheduling:

Major activities to be provided include:

- Contractor staff that is responsible for all training administration tasks and logistical support;
- Working with Departmental Training Coordinators (the Authority will identify Training Coordinators), coordinate and schedule all-users in training classes. This would include any participant cancellations as well as re-scheduling;
- Preparation of class schedules and notification to end-users and training coordinators;
- Schedule and control all classrooms;
- Provide weekly status reports regarding participant enrollments and completions;
- Ensure that all training materials, equipment, class rosters and course evaluations are in all scheduled classes prior to training date;
- The Contractor shall perform all tasks associated with Registration and Scheduling on-site at Authority-approved facilities.

Attendance Rosters: The Contractor shall maintain the class attendance roster, and provide notification of no-shows and/or cancellations to the Training Manager. The class attendance roster shall include course title, class dates, participant name and participant's employee number. After the completion of the class, course evaluations along with a copy of the class attendance roster shall be given to the Training Manager or his/her designee.

Instructor Qualification: All instructors identified for this SOW shall have prior System training experience with the product being provided. Instructors deemed unsuitable shall be removed from this project at the Authority's request, and the Contractor shall provide substitutes with the appropriate experience timely in such cases.

All of the instructors provided by the Contractor shall be fully capable of conveying in-depth technical information that can be understood by participants. A detailed resume for each instructor shall be provided for approval no less than ninety (90) days prior to commencement of scheduled course instruction. If Authority approval is not received for an individual, the Contractor shall propose an approvable alternative within five (5) days of receipt of the Authority's disapproval.

Instructor Preparation: Instructor preparation includes the following:

- Gathering special requirements for class or workshop,
- Refreshing data in the training database,
- Validating training exercise data already set up in the training database,
- Creating new exercise data, as required to support instruction,
- Creating participant data sheets for classroom use.
- Supplying all training materials

Classroom Procedures: The Authority will provide the Contractor with information regarding classroom procedures and standards. The Contractor shall ensure that instructors address the appropriate information, and adhere to those standards and procedures. Authority staff will periodically monitor courses and instructors as proof that those standards are maintained.

Post-Session Duties: At the conclusion of each training class, the Contractor shall clean the white board, dispose of used printer paper, reset the PCs and erase any changes made to the operating environment or application software, erase any unnecessary data stored during the class, shut off the projector, log off all PC equipment, secure any equipment as necessary and lock the classroom door.

C. Testing

Testing activities shall be performed at multiple points during implementation per the approved Test Plan. During installation, testing shall be performed as a means to validate the state of the system, and will be performed by a team consisting of personnel both from the Authority and from the Contractor. Any problems detected during testing shall be corrected promptly by the Contractor.

Parallel Testing shall validate that the System has been successfully installed, that data has been successfully converted, that the System has been properly configured to meet the Authority's operational model, and that system response times are suitable for support of the Authority's workloads. During testing, the System will be evaluated and metrics collected to record its performance under normal, projected workloads and will also be examined under extreme loads in order to establish loads and load conditions that would produce system performance levels below that considered acceptable to the Authority. The Contractor shall indicate the remedial action that would be required should the extreme load conditions be achieved and provide an analysis projecting when the Authority might expect to experience such conditions.

D. Documentation Library

Unless specifically stated otherwise, the Contractor shall submit to the Authority's Contract Manager design, testing, operational documentation and plan submittals, and System As-Built drawings as follows:

Design and Documentation Submittals:

- Submittal Review

Allow the Authority's Contract Manager a minimum of ten (10) business days to review each Contractor submittal and re-submittal. Contractor is responsible for maintaining the approved schedule even if multiple review cycles are required for each submittal.

- Submittal Format

The Contractor shall submit all narrative text or tabular list-based submittals as follows:

- i. Bind all 8.5" x 11" documentation, except standard spiral bound materials, in logical groupings in 3-ring loose-leaf binders. Each bound grouping of documentation shall be permanently and appropriately labeled. No documentation shall be smaller than 8.5" x 11". Document pages shall be numbered sequentially. Revised documentation shall be identified with a version number and revision date on the cover and each page.
- ii. Six sets of hardcopy documents
- iii. One set in a machine-readable format that shall be viewable and easily modifiable with the Microsoft Office 2007 suite of tools.

- Establishing the System Library

The Contractor shall submit to the Authority's Contract Manager for review and approval a detailed description of the products to be furnished for installation as part of this Contract. System documentation and comprehensive and detailed technical descriptions of the System hardware, software, and communications architecture that include, at a minimum, the following information:

- i. **Executive Summary:**  
This document is a summary of documentation material provided in this deliverable, an overview of the System describing all major components, and special features of the System that address performance, expansion, system security, ease of use, and maintainability.
- ii. **Functional Description:**  
This document is a detailed description of the overall System that provides a functional description of the major components and describes their operation.
- iii. **System Architecture:**  
This document is a system-level graphic representation of logical components and their interconnections. This shall include identification of the interfaces between each application and each computer and the interfaces to all other current and future systems.
- iv. **Failure Handling and Recovery:**  
This document is a failure/switchover/recovery matrix showing the types of failures, the process of reporting these failures and indicate whether the reporting mechanism is automatic or semiautomatic. This shall include descriptions of System diagnostics to detect and isolate failures and a detailed explanation of the fault tolerant solution.
- v. **Narratives:**  
The narratives shall describe all user functions to enable the System to operate as specified. The narratives also shall pay special emphasis to the requirements for operation and system administration, with an explanation including graphic descriptions that illustrate the proposed user interface, and shall describe the following:
  - o Operating features
  - o Report formats
  - o Algorithms.
  - o Any other material, documentation or drawings, which the Contractor deems, appropriate.

The Contractor shall establish and maintain a System documentation library containing all hardcopy and computer readable documentation for the System. The library shall contain all documentation materials for software, standards' manuals and procedure manuals. The Contractor shall ensure that all documentation needed for the continued operation and management of the System is accurate and available and is in compliance with, at a minimum, a structured maintenance methodology accepted by the Authority.

The Contractor shall act as the Authority's agent in obtaining or producing any needed documentation not in the Authority's possession. All material in or obtained for the documentation library shall be the property of the Authority. The Contractor shall ensure that all material is kept in a current state, updating it as required whenever fixes are applied and changes/enhancements are implemented.

The Contractor shall work with the Authority to ensure that controlled access to documentation materials is maintained, by, in part, signing out manuals to authorized individuals when appropriate and tracking the location of signed out materials. In a similar manner, access to electronic versions of documentation shall be controlled at the user ID level.

- Test Plan Maintenance

The Contractor shall maintain test plans and procedures for re-testing the System after upgrades. The Contractor also shall maintain a file of all test results in accordance with the documentation standards referenced above and evaluations of results along with any recommendations arising out of that testing. All test plans and related files and data shall be the property of the Authority. Test plan documentation shall include:

- Unit Testing

The Contractor shall create and maintain unit test plans to verify the functioning of the new System component and that it satisfies the requirements.

- System/Integration Testing

The Contractor shall create and maintain test plans to test the entire System with the new component installed to verify the integrity of the System as a whole and to determine that the intended purpose of the new component is achieved.

- Acceptance/User Testing

The Contractor shall create and maintain test plans to verify the functioning of the new component in the production environment for a mutually acceptable time period prior to final acceptance. Any corrections needed during the testing period must be completed and installed. The acceptance period clock will then begin again.

- System Diagrams:

The Contractor shall submit to the Authority's Contract Manager for review and approval the following detailed system schematic drawings and connectivity diagrams and screen layouts:

- i. System Block Diagram illustrating the interrelationship between all System components.

- ii. Diagram of System power and communications interconnection wiring (if applicable).
- iii. Connectivity Diagrams to illustrate the connections among all system components including, but not limited to, the, and the primary and backup application and database servers, workstations, communications network and any proposed external connections.
- iv. Screen Layouts illustrating all user interface screens, graphical maps, pop-up windows, pull-down menus, etc.
- v. Matrix that defines the access restrictions to all applications, by user and workstation location.

- Change Management

The Contractor shall prepare and submit, for approval by the Authority, change management procedures. These procedures shall identify what needs to be provided by the Contractor and what needs to be performed before attempting to effect a change to any part of the System, whether hardware, software, database or network.

- Manuals:

- User Manuals

The Contractor shall prepare and submit, for approval, six sets of complete, separate manuals for each role of staff that will use the System. A site-specific manual shall also be provided to document the specific site-related configuration.

All manuals shall be specifically written for this installation. Pages from the original equipment manufacturers standard operations and maintenance manuals can be referenced in the manuals written for this Contract, provided all of the referenced items are included in the manuals.

- Application Administration Manual

The Application Administration Manual shall include but not be limited to all sections covering administration of the application, configuration functions, including the following items:

- Detailed instructions and procedures for the installation and configuration of the software.
- Detailed description and procedures for configuration of user privileges and access levels to use of all application functions;
- Detailed description and procedures for the configuration and management of the application and its databases;
- Detailed description and procedures for installing, backing up and restoring the application software and include system generation procedures if software development tools are furnished as part of the Contract;
- Detailed description and procedures for event logs maintenance activities including downloading, sorting, printing and clearing.
- A detailed procedure that describes all of the steps to manually switch over operation from the primary application Server to the backup application server and to switch back to the former primary application server once the operation of the former primary application server is restored.

- Operational Run Book

This document contains a set of defined procedures developed by the Contractor for maintaining the day-to-day operations of the application software, as well as addressing out-of-the-ordinary operations. The run book shall include all the information the user would need to perform daily operations and information on dealing with any problems that arise during usage from the operational system. Some procedures defined in the run book would include procedures for starting and stopping the applications software and system, instructions for handling Contractor-furnished devices, and procedures for special operations, such as backing up the data, archiving the data, deleting and restoring old archived data, etc.

E. Final Documentation

- Prior to certification by the Authority that the Contractor has completed all work as specified in the Detailed Implementation Plan (except for maintenance), the Contractor shall submit all design documentation, manuals, and/or drawings that have been revised to reflect the as-built conditions. System Documentation shall be provided in both a bound copy and an electronic version in a machine-readable form that is viewable with the Microsoft Office 2007 suite of tools. System documentation submittal(s) shall include but not be limited to versions of the System Drawings and System Documentation that have been updated to reflect the as-built conditions.
- Software and software documentation for storage in Escrow, in accordance with the requirements specified in the Escrow Agreement (updated as required).

F. Warranty

- Immediate Problem Resolution

At the direction of the Authority, the Contractor shall immediately initiate problem determination and resolution procedures.

- Application Tuning

Under the direction of the Authority, the Contractor shall closely monitor the operation and usage of the System to identify improvement opportunities for the System and workflow and plan and execute projects to implement designated improvements.

- Application Enhancements

To the extent possible in light of demands created by addressing the first two responsibilities, the Contractor shall respond to enhancement requests from the Authority. The Contractor shall initiate, execute and control, in accordance with the aforementioned project management methodology, projects to effect enhancements approved by the Authority.

G. Service Levels

The Contractor's obligations for the performance of all Work at the service levels, as described herein, specified in this Contract are of the essence. The Contractor guarantees that it can and will complete performance under this Contract at the service levels stipulated herein.

The Contractor's obligations for the performance and completion of the work within the time or times provided for in this contract are of the essence of this contract. In the event that the Contractor fails to satisfactorily perform all or any part of the work required hereunder in accordance with the requirements set forth herein or in applicable Contract Documents (as such term is defined in the Base Contract) then, inasmuch as the damage and loss to the Port Authority for such failure to perform includes items of loss whose amount will be incapable or very difficult of accurate estimation, the damages to Port Authority shall be liquidated in the following amounts:

Service	Service Level	Liquidated Damage in event of non-compliance
Online Availability of System measured monthly	99.9 % availability for the System measured monthly, for a System that is fully operational 24 hours per day, 7 days per week	5% deduction on the calculated total monthly payment if the availability falls below 99.9%  Additional 5% deduction on the calculated total monthly payments for every 1% loss of availability below 99.9% average availability.
Recovery of Service	Twelve-hour recovery time (from notice) in the event the System is not fully available to the Authority	\$500 per hour or part thereof if the System does not meet the availability requirement
Maintaining confidentiality of data in the System	100% confidential	\$1,000 per breach of confidentiality
Maintaining data integrity	100% data integrity	\$1,000 per each breach of data integrity
Four-hour response to problems, measured monthly (applies to Subscription and License versions)	Minimum of 90% of calls responded to within four hours	2% of total monthly payment for services if the 90% requirement is not fully met
Resolution of service calls (problems), measured monthly (applies to Subscription and License versions)	Minimum of 90% of all service calls resolved in one business day.  No service call to exceed 2 business days before being resolved	2% of the total monthly payment if the 90% requirement is not met.  \$100 per hour for each business hour (or part thereof) in excess of required two-business day service call resolution.
Application of critical patches to System	Patches, fixes, and service packs deployed to the servers within specified	2% of the total monthly payment for all services not installed/applied within the specified timeframe.

<p>within 24 hours of release and non-critical security-related patches, fixes, and service packs within seven (7) business days of release. Criticality determined by software vendor or the Authority</p>	<p>timeframe</p> <p>100% confirmed deployment within 24 hours for critical patches and 7 business days for non-critical security-related patches, fixes, and service packs</p>	<p>5% of the total monthly payment for all services not installed/applied within the specified timeframe.</p>
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Regular scheduled maintenance approved by the Authority is excluded from these calculations. Emergency maintenance which affects service availability (such as to correct problems in service) are considered unscheduled maintenance and therefore, measured as part of service availability, unless otherwise agreed to by the Authority.

Total liquidated damages for non-performance for the month shall not exceed the Contractor's compensation for that month.

Computation of online availability and resolution of calls refer specifically to work covered in this Contract that is the Contractor's responsibility. For example, time spent by other contractors to repair hardware would not be included in the calculation of the Contractor's performance.

The Authority may consider continued failure to meet performance under this Contract at the levels stipulated as a material breach of this Contract regardless of the existence of liquidated damages provisions. In the event the Contractor is declared in breach of Contract, the Port Authority shall be entitled to collect liquidated damages up to the time of the declaration of breach, and actual damages arising from the breach suffered by the Port Authority after the declaration of breach.

H. Interaction with Third-Party Contractors and Service Contractors

The Contractor shall work in harmony with the Authority's third party Contractors and service providers. These services include but are not limited to the following:

- Working with Authority staff in contacting third-party Contractors, such as the SAP vendor, for application support of the Contractor product;
- Working with Authority staff in contracting with third-party Contractors for application enhancements; and
- Any coordination activities related to implementation of new releases or other associated maintenance fixes or releases

### 3) SUPPORT STAGE

The Contractor shall provide on-going service to address software error corrections, software updates and new releases to the application software, and correction releases of third party software. This service shall include support for user questions and consultation as well as support for emergency recovery situations.

This service shall provide the Authority with regular software upgrades, enhancements, new releases and resolution of application defects. The upgrades shall pertain to all components of the application solution provided by the Contractor, including third-party software and databases. Under this service, the Authority will have the option to require the Contractor to provide close support, including onsite support for the installation, configuration and tuning of such upgrades.

As a function of end-user support, the service shall further provide a mechanism for reporting and tracking the status of anomalous application operations, issues and questions that have been reported to the Contractor for resolution. The Contractor shall be responsible for providing both short-term "work-arounds" for reported conditions as well as longer term, permanent resolutions. Inherent in the mechanisms shall be an escalation process for addressing long-standing, recurring or emergency situations. Should a reported anomaly, in the view of the Authority, cause serious disruption of business operations, then the Contractor shall be required, at the Authority's discretion, to provide dedicated resources (on-site if directed by the Authority) to establish a priority framework for resolution.

Support shall include the following:

- On Call Operational Support – 24/7
- Maintain operational availability of software and any furnished hardware
- Schedule Preventive Maintenance
- Remedial Maintenance
- Training Classes
- Telephone support during twenty-four hours per day, seven days per week is required.
- Test and validate that the applications software furnished by the Contractor functions properly within 10 days after Microsoft and other software providers release patches and updates to the operating system, database and other software that is furnished or used in the System.

If the selected System is a Subscription-based Service, the Contractor shall be responsible for providing all operating services related to the hosting, security, documenting, planning, updating, patching, enhancing and running of the system to ensure it remains operationally viable and meets all current best business and technical practices. The Contractor will be responsible for obtaining and maintaining any needed third party service (or service provider) and for obtaining and maintaining technical support agreements with technology companies for sufficient technical support of their products. The Contractor would also provide the telecommunications infrastructure equipment between the Contractor infrastructure and user base, as required.

#### A. Capacity Management and Performance Monitoring

Starting with Warrantee, the Contractor shall monitor the System's performance to ensure that performance and response meets the operational needs of the users. The Contractor shall take measures to ensure the continued effective operation of the System through accepted industry capacity management and performance monitoring procedures, including recommending corrective actions to correct capacity and performance inadequacies.

The scope of the capacity management and performance-monitoring portion of the System support services furnished shall include, but not be limited to the activities identified below in this section.

**Capacity Management:**

Maintaining records

The Contractor shall maintain records on application performance and resource usage, user response time, etc. adequate to project needed upgrades to hardware and software based on current performance and expected growth.

Forecasting upgrade needs

The Contractor shall maintain communication with the Authority and user community concerning plans for System expansion or modification, which would affect System capacity or performance.

Tracking resource usage

The Contractor shall track such items as database/file sizes, and concurrent users to ensure adequate resources will be available for the foreseeable future and to take preventive action to minimize application failure due to insufficient resource levels.

**Performance Monitoring:**

Maintaining proper allocation of resources

The Contractor shall monitor CPU, memory, application and database servers, file distribution on direct access storage devices and, as warranted, make recommendations and, after securing the Authority's concurrence, implement these recommendations to maintain adequate System performance.

Troubleshooting

The Contractor shall investigate and diagnose System problems that result in unsatisfactory System performance and take steps to remedy the problem.

Maintaining data structures

The Contractor shall defragment files and purge/reorganize databases on a scheduled and as needed basis.

**B. Change Management Administration**

The Contractor shall ensure that all changes to the System occur in a controlled manner.

The Contractor shall ensure that all System changes are properly authorized, tested and documented prior to implementation in the production environment, in accordance with a structured maintenance methodology accepted by the Authority. The Contractor shall maintain a general awareness of changes to the Authority's information infrastructure, and have appropriate backout/reversal procedures available as necessary.

The scope of the change management portion of the Change Management Services furnished shall include but not be limited to the activities identified below:

Informing management of new software options for third party software

The Contractor shall maintain contact with the Authority Contract Manager to stay aware of software upgrades and fixes and hot packs, and deliver to the Authority a plan and schedule for recommended implementation of these upgrades and fixes and hot packs. The Contractor's structured maintenance methodology shall include the Authority's preference for applying these fixes in scheduled application fix "bundles".

Establishing a segregated test and quality assurance environment

The Contractor shall maintain segregated test and quality assurance environment(s) insulated from the production environment for testing of all changes to software prior to introduction to the production environment.

Establish a training environment

The Contractor shall establish and maintain a segregated training environment on which the Authority may conduct training.

Controlling software migrations

The Contractor shall establish and enforce procedures to ensure that only approved changes are implemented by implementing the following requirements and actions:

- Approved modification request forms have been received for all changes to be made to software;
- Access controls prevent more than one retrieval of a module for modification;
- Multiple changes to the same module are coordinated;
- There is synchronization of changes so that all modules affected by a modification to a data element or other factors are changed simultaneously;
- Migration of modules is controlled through the approved test and implementation cycle;
- New application versions are thoroughly tested prior to use on the production System;
- New application versions are thoroughly documented, in accordance with, at a minimum, Authority standards;
- All changes are coordinated with affected areas including any interfaced Systems.
- The Contractor's implementation of release upgrades shall be scheduled to minimize downtime.

Maintaining prior versions of software

The Contractor shall exercise control over software versions, ensuring the proper version of software is migrated and that prior versions are available for roll back in the event of an emergency.

Testing new software

The Contractor shall maintain a test bed of transactions and known results to verify the integrity of new software releases. The test bed shall be updated to include test data for all new conditions arising out of maintenance or enhancement of the System.

### Coaching and User Assistance

The Contractor shall provide technical and second level end-user support to the System users, be the focal point for troubleshooting maintenance problems, provide technical support to user department staff at internal/external meetings and train Authority personnel on the application. The scope of the training portion of the application support services furnished shall include, but not be limited to the activities below in this section:

### Conducting enhancement training

The Contractor shall conduct training for the trainers when application System enhancements warrant such training to ensure they are trained in the proper procedures associated with the System and can function effectively after training.

### C. Providing User Assistance

The Contractor shall serve as a resource for Authority staff as related to application System functionality. This includes:

- Providing technical support to Authority staff and/or Authority Contractor's relative to the applications support;
- Researching and taking corrective action on reported software malfunctions;
- Participating in internal and external audits; and
- Performing other support activities as may be assigned (e.g., visit/review similar Systems, interview potential service providers, etc.)

### D. Business Resumption Planning & Disaster Recovery Testing

The Contractor shall work with the Authority's Contract Manager and the user departments to participate in activities associated with the Authority's Business Resumption Plan. The Contractor shall be primarily responsible for the portion of the Plan concerned with providing continuing application management services for the application. The Contractor shall participate in any test of the Business Resumption Plan scheduled by Authority, typically quarterly. It shall be noted that at the discretion of the Authority, testing may require the Contractor to be present physically on site, whether it be at Authority premises or at our Disaster Recovery site. Specifics to such locations shall be provided by the Contract Manager and such activities shall be part of the standard support duties and not compensated for separately.

The Contractor shall design the continuing application management services for the application that addresses up to four disaster scenarios. Authority will specify the four scenarios to be addressed by the Contractor.

Upon notification of formal declaration of a disaster by the Authority, the Contractor shall make every effort to have all required and knowledgeable staff be physically onsite at the requested locations as soon as is reasonably possible to enable recovery efforts to proceed without delay.

### E. Application Maintenance Services (AMS)

At the direction of the Authority, the Contractor shall provide trained application level resources knowledgeable in the Authority's implementation that will perform application enhancements, reporting

modifications or creation, or any other such application services as required by the Authority. Understanding that the required services are hard to quantify in advance, the Contractor shall be compensated for major enhancements, as defined cooperatively by the Authority and the Contractor, separately, using the hourly rates provided for Enhancements herein (in the Contractor's Price Forms). The Contractor shall include with its monthly statements hours committed, hours completed. No work for chargeable enhancements is to be performed, and no hours to be committed, without a signed (by Authority and Contractor) estimate that details the work, the deliverables, the proposed timeline and the estimated hours.

Unless otherwise agreed to in advance, the Contractor commits to providing the Authority complete estimates within five business days of receipt of AMS requests and further commits to starting work within five business days of signed authorization to proceed. This process is to be used only for services above that of standard ongoing support as defined above. No additional compensation shall be provided for ongoing support tasks defined above.

**7. Payment Schedule**

Payment to the Contractor shall be as follows:

<u>Milestone:</u>	<u>% of Overall Implementation Amount</u>
• Authority Notice to Proceed	10%
• Authority approval of deliverables under the Planning Stage (Section 6)	15%
• Completion of System Installation	15%
• Completion of System Configuration	15%
• Completion of Conversion of Existing Data into new System	15%
• Completion of Training and submission of all associated project documentation	30%

Note – As used above, "Completion" is defined as the Authority's acceptance and approval of related deliverables

The above percentages shall apply toward the total cost for Implementation, as defined in Section A of the Contractor's Price Sheet, as accepted by the Authority.

Warranty and Ongoing Maintenance fees shall be paid monthly, in accordance with the General Contract Provisions (Attachment B).

**8. Management of the Work**

The Contractor shall demonstrate that its internal software procedures and processes are consistent with a Capabilities Maturity Model (CMM) of at least level 2 or SCAMPI Level 2. In the absence of a specific certification, the Contractor shall provide evidence of an equivalent operational maturity and/or provide a plan for achieving such level. All software work management activities performed by the Contractor on behalf of Authority shall be in accordance with the requirements to achieve such Levels.

The Contractor shall manage its efforts in accordance to the following requirements:

A. Organization

The Contractor shall establish and maintain an organizational and operational structure appropriate to the work to be performed under this agreement. This shall include but not be limited to:

- Assigning an appropriate number of staff with requisite skills, acceptable to the Authority, for the tasks to be performed.
- Supplying direct supervision of the staff assigned to carry out the work as defined herein.
- Providing qualified persons, acceptable to the Authority, for relief of the assigned staff in the event of illness, personal business or any other unanticipated absence of the assigned staff.

B. Labor Force

The Contractor shall furnish sufficiently trained management, supervisory, and technical personnel to perform the services required, with all such personnel subject to review and approval by the Authority. If any offered person is deemed unsatisfactory or does not perform the services to be furnished hereunder in a proper manner and satisfactory to the Authority, or in the sole determination of Authority, may have taken any action which constitutes a conflict of interest or which is inconsistent with the highest level of honesty, ethical conduct or public trust or which Authority determines is adverse to the public interest or to the best interest of the Authority, the Contractor shall remove any such personnel immediately, and replace them by personnel satisfactory to the Authority within two weeks, upon notice from the Authority.

C. Program Management - Appointment of Staff

The Contractor shall appoint member(s) of its organization to oversee the management of the work.

The Contractor shall assign a full time, technically proficient, English speaking, experienced and fully qualified account manager (hereinafter referred to as the 'Engagement Manager'). The Authority requires, prior to approving the proposed person, the following:

- Notice of the proposed person for the assignment.
- Information (resume, background, history with the Contractor, etc.) regarding the proposed Manager
- The Contractor shall arrange for the individual(s) to be available for Authority interview(s) at no cost to the Authority.
- The Engagement Manager is subject to approval by the Authority and subject to removal at the Authority's sole discretion.

The Authority requires no less than sixty days prior notice of change of Engagement Manager and turnover of the position shall be limited to no more than once per twenty-four month interval.

D. Project Management Methodology

The Contractor shall put a project management methodology in place that addresses the Authority's requirements.

## E. Status Meetings

The Contractor shall schedule and conduct regular status meetings with the Authority at an Authority selected site at least monthly until the Implementation Stage, at which point the meetings will occur at least weekly. At the sole discretion of the Authority, the frequency of meetings may be adjusted. The purpose of these meetings is generally but not exclusively limited to the following:

- Track the progress of development and implementation activities;
- Review the Contractor's deliverables;
- Review Contractor's invoices for services provided; and
- Resolve disputes.

The Contractor shall produce and deliver to the Authority, at least 24 hours prior to each status meeting, a project status report.

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## 9. **General System Requirements**

### Application Logging

The System shall provide complete logging for the following types of System activity:

- Setup Log – This feature shall record all log in and log out activity by user, time and date and shall record event descriptions for each, including changes made to the System setup or configuration, retaining before and after values.
- System Activity Log – This feature shall record all events in the System. It shall include the user name, type of activity, time and date, requested changes and impacted equipment.
- Fault Log – This feature shall log all System faults. It shall include type and location of fault, time and date of fault, time and date of restoration and any applicable information related to the repair.

### Redundancy

The application server, and separate database server if used, shall be redundant and configured to provide for continuous operation of the System even in the event of the failure of any single System component. Redundant operation shall include, but not be limited to all central computer system components that are used to fulfill the requirements of the Contract.

### Fault Tolerance

A fault tolerant computing solution shall be provided so that the System will continue to run upon detection of any type of failure. It is expected that the hardware and application will be able to continue to operate if one server, the software or any single System component fails.

In the event that any failure occurs in the primary application server (or database server if used), the System shall switchover either automatically or manually, without operator intervention, from their primary central components to the backup/redundant components upon detection of a hardware or software failure in any primary component without any loss of data or user control. The System shall instantaneously switchover the software processing to maintain continuous System operation. The operation of the System shall be transparent to the operator during and after the switchover. The System shall display an alert to the operator of the failover on all of the user workstations. Once the primary server or component is repaired to full

operation, all data shall be recovered on the primary server without any loss of data during the outage. Restoration of the primary server(s) into the fault tolerant configuration shall be performed without any loss of data.

#### Virtual Environment

The software shall be capable of operating in a virtual environment under VMWARE.

#### Fail-Safe Operation

The System shall be designed to fail to a degraded operations level without adversely affecting the operation of the System. Ultimately, upon a total failure, the System shall fail to a predefined safe state that terminates all communications to other subsystems. During the transition to a fail-safe mode of operation, the System shall display an alarm to the operator at all user workstations. After transition is complete, the System shall identify to the operator the failed equipment or computer process.

#### General System Performance Requirements:

The System shall consist of readily available, proven hardware and software elements, which are fully consistent with the System's design and operation as specified. It shall have the throughput, capacity, and availability, as specified herein, to provide the required functionality. It shall meet the performance requirements identified herein and under the maximum loading when all System devices are engaged and performing their specified functions, with no loss of data or user control.

#### General Design Requirements

The Contractor shall provide the latest version of the software and applicable software patches and updates. The System shall be compliant with the most current Standards and Guidelines for Port Authority Technology and industry best practices and Port Authority Audit Department's IT Control Checklist Guidelines at the time of the Acceptance Test.

#### Start Up

The System shall automatically execute all site-specific configuration parameters required to start up and enter the operational mode of the application software upon System initialization.

#### State of Common Usage

Software, database and communications protocols shall be in a "state of common usage," or industry-standard, and shall be an open architecture. Computer software shall consist of all System, application, and utility software required to meet the requirements of this Contract. All off-the-shelf software shall be industry standard. The Contractor shall submit the latest commercially available release/version of all software products in general use prior to System acceptance.

#### Graphical User Interface

A user-friendly graphical user interface (GUI) shall be furnished that is ergonomically designed to facilitate user operation in an intuitive manner and to minimize operator actions for information retrieval and system

operation. The user shall be able to invoke any action or command with no more than three mouse clicks and any additional required data.

The user interface shall be designed with streamlined business display screens to facilitate easy data entry and general viewing. Navigation tools/menus/keys shall be prominently displayed and provide consistent, easy movement within and between screens.

All control and reporting features shall have a logical hierarchical arrangement to engage the user through such features as pull-down menus, interactive graphics, dialog boxes, touch screens or other user-friendly means. The user interface shall prompt the operator with instructions or for additional information when user entry is required. The user interface shall not require the operator to memorize command sequences to perform operator controls. Context sensitive help or another form of on-line documentation for all functions and operations shall be provided.

All screen layouts shall be submitted for approval by the Authority's Contract Manager. The Contractor may request in writing for the Authority to provide any drawings or graphics of the project area reasonably required for use in developing system graphics.

#### Network Time Protocol and Time Synchronization

Applications that require time and date synchronization shall query PAWANET to obtain the current time of day and date.

#### Shutdown

The System shall be capable of being shutdown in an orderly fashion and in a fashion that causes no anomalies in other subsystem components or software applications and no loss of data. Other subsystem components shall report no multiple errors nor be unavailable for shutdown. Upon shutdown, the System shall automatically notify connected workstations that System shutdown is imminent.

Only authorized users shall have the capability of shutting down the System.

#### Change Management

The application must be secured and all revision changes shall require prior Port Authority approval. All changes shall be tracked and implemented in accordance with the Authority's approved change management procedure.

### **10. Security**

#### Physical Access

The Contractor shall maintain a list of Contractor employees authorized to enter secured areas.

#### System Access

The Contractor shall maintain a list of Contractor employees authorized by the Authority Contract Manager to access the System.

The Authority will issue appropriate logon IDs for those persons authorized by the Authority Project Manager to have access (and only such persons), and will periodically reconcile the list of logon IDs to the authorized list.

The Contractor shall immediately notify the Authority's Contract Manager whenever authorized Contractor or vendor employees leave the firms or change responsibilities that remove them from active participation on the Project Team.

#### **11. Quality Assurance**

The Contractor shall establish and maintain a quality assurance program, which it shall utilize to assure that all work is performed in accordance with the Contract, including compliance with Information Services Standards, and at a level consistent with acceptable industry practices. The quality assurance program shall be consistent with CMM, or SCAMPI, Level 2 at a minimum.

#### **12. Training**

The Contractor shall maintain the appropriate knowledge, skills and abilities of their staff assigned to provide ongoing support for the Authority's System.

#### **13. Right of First Refusal**

The Authority has the right to approve or disapprove, at the Authority's sole discretion, with or without cause, any potential Contractor employee who would directly service the Authority account.

#### **14. Right of Replacement**

The Authority has the right to require the Contractor to replace any Contractor employee, assigned to the Authority Account.

#### **15. Contractor Employee Minimum Skill Requirement**

The Contractor shall meet all minimum experience levels and qualifications as agreed to by the Authority for any potential Contractor employee who would be assigned to the Authority account.

#### **16. Work Site Conditions and Procedures**

- A. Maintenance shall be performed by trained personnel, competently supervised by the Contractor, who shall be qualified to keep the equipment adjusted and repaired and in proper operating condition; any employee of the Contractor, or its subcontractors, deemed by the Contract Manager not qualified to perform the work hereunder shall be immediately removed from the Work Site and replaced by the Contractor upon request by the Contract Manager.
- B. The Contract Manager will whenever possible provide such cooperation as may be necessary to permit entry into locked areas. The Contractor shall give a minimum of 48 hours notice of its intention to perform work (other than On-call Remedial Maintenance) under this Contract to the Contract Manager or his designated representative in order that any necessary arrangements may be made by the Contract Manager. This notice shall include the Contractor's expected hours of arrival and departure, areas to be serviced and the number of workers that will be working.

- C. The Authority or other authorities, commissions or jurisdictions will not furnish any free facility use passes or public parking spaces for the Contractor. In addition, parking at any Work Site may not be available and the Authority makes no guarantee that parking at the Work Site will be provided to the Contractor.
- D. At the time the Contractor is carrying out its operations there may be other persons working in the vicinity. The Contractor shall so conduct its operations as to work in harmony and not endanger, interfere with or delay the operations of others, all to the best interests of the Authority and others as may be directed by the Authority Contract Manager.
- E. The Contractor shall provide Trained Personnel, employees and workers with identification badges approved by the Facility Manager. Such badges shall be worn in a conspicuous and clearly visible position by all employees of the Contractor whenever engaged at the Work Site.
- F. The Contractor shall observe and obey (and compel its subcontractors, officers and employees and those doing business with it to observe and obey) the rules and regulations of the Authority and other authority, commission or jurisdiction as applicable, and such further rules and regulations which may from time to time during the effective term of this Contract be promulgated by the Authority or other authorities, commissions, or jurisdictions for reasons of safety, health, preservation of property or maintenance of a good and orderly appearance of the work areas and property of the Work Site.

**Attachment D: Data Elements Table**

The Respondent shall demonstrate that its System can accommodate the Data Elements described in this Attachment, **with no or minimal customization**. Using the "Data Elements Table" attached hereto as Attachment B, the response shall include a table with the following format:

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
		X			
			X		The System will need some customization because....
				X	The System cannot comply because.....

The Respondents should use additional sheets if the allotted space for "Comments" is insufficient.

**(1) Port Authority Hierarchy**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Company	Port Authority, PATH, etc.				
Department	Aviation, Port Commerce, etc.				
Dept. Division/Unit	Real Estate Services, Aviation Properties and Commercial Development, etc.				
Facility	JFK Airport, PA Bus Terminal, etc.				
Building	Building				
Land (Parcel)	Land (Property)				
Unit	Rental unit				
Object	Rental object				

**(2) Facility**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Business Entity	Example of Facilities: PA Bus Terminal, LaGuardia Airport, etc.				
Street					
City	For entry of facility address				
Postal Code	For entry of facility address				
Region	For entry of facility address				
Country	For entry of facility address				
Department	For entry of facility address				
Profit Center	Business entities should be assigned to a profit center.				

**(3) Building**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Building #	Each Building should have a unique, identifying #				
Building Name	Examples: PABT – South Terminal, One World Trade Center				
Aviation Terminal	Airline Terminal name/no. User defined selection menu. Super- user configurable				
Building usage	Hanger, Terminal, etc.				
Multiple Tenancy	Checkbox				
Building Rating Scale	Building rating ex. A, B, C				

Building Description					
Building Height					
Building Stories					
Street	For entry of building address.				
City	For entry of building address.				
Postal Code	For entry of building address.				
Region	For entry of building address.				
Country	For entry of building address.				
Year Built	Year Building was built				
Vacancy Year	Year building became vacant / mothballed				
Environmental Baseline & Condition Survey					
Number of floors					
Block					
Lot					
Latitude					
Longitude					
Map Grid ID	For use with Engineering Dept. Data Base				
Building Value					
Assessed Value	= Market Value				
Yr Assessed Value	= Value Date				
Heat Source Type	Natural Gas, Oil, etc.				
Electric Feed Capacity	Create custom field				
Water Meter	Create custom field				
Electric Meter	Create custom field				
O&M/Utility Costs	Create custom field				
Predominant Construction Type, Non-combustible,	Configurable, User defined drop down menu				

fire resistive					
Basement	Yes/No				
Fire Protection, H2O supply type, Public H2O, Fire pumps with connection to tanks, reservoir	Configurable, User defined, drop down menu				
Alarm System Provided	Yes/No				
% of building protected with automatic sprinklers	User, type text				
Risk Control Plan	Yes/No				

**(4) Property (Parcel)**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Land Id	Unique identifier for land.				
Name of Property					
Property Usage	User defined selection menu. Super user configurable.				
Property Description					
Street	For entry of property address.				
City	For entry of property address.				
Postal Code	For entry of property address.				
Region	For entry of property address.				
Country	For entry of property address.				
Block					
Lot					
Latitude					

Longitude					
Boundary East					
Boundary West					
Boundary North					
Boundary South					

**(5) Rental Units**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Rental Object	Rental Objects to be used for rented or rentable units of space, rights, etc.				
Name of Rental Unit					
Usage Type	User defined selection menu. Super user configurable.				
Unit Description					
Street	For entry of unit address.				
City	For entry of unit address.				
Postal Code	For entry of unit address.				
Region	For entry of unit address.				
Country	For entry of unit address.				
Floor	For entry of unit floor				
To Floor	For entry of the to floor for the unit				
Rental Unit Type	Displays rental unit type. User defined selection menu. Super user configurable.				
Rental Unit Measurement	Measurement Type i.e. Square Feet, Acre, Linear Feet.				
Rental Unit Measurement Amount	Example: Square Feet, Acre, Linear Feet, etc.				
Measurement From	Start date of the validity period of the measurement				

Measurement To	End date of the validity period of the measurement.				
Valid From	Start date of the validity period of the rental unit's assignment to the agreement.				
Valid To	End date of the validity period of the rental unit's assignment to the agreement				
Name	Rental Unit Name				
Rental Unit Valid From	beginning validity				
Rental Unit Valid To	ending validity				

**(6) Business Partners (Organization, External, Internal)**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
BP #	System generated. Unique identifier.				
BP Name	Full legal name of business partner				
Doing Business As (DBA)	Master Tenant, Doing Business As (DBA)				
BP Contact	User defined selection menu. Super user configurable.				
BP Contact Job/Position Title	Professional Title				
Business Type	User defined selection menu. Super user configurable.				
Street					
City					
Postal Code					
Region					
Country					
Phone Number					
Mobile					

Phone Number					
Fax Number					
E-mail					
Company URL					
Business Partner (BP) Role	Displays the role of the assigned BP.				
Business Partner ID	Displays the BP # (Unique identifier; system generated).				
Start of Relationship	Start date of the validity period of the BP's assignment to the agreement.				
End of Relationship	End date of the validity period of the BP's assignment to the agreement.				
Customer #					

**(7) M/WBE and DBE**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
M/WBE, DBE Name					
M/WBE, DBE Certification Date					
M/WBE DBE De-Certification Date					

**(8) Tenant Information**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Federal Tax ID					
Tax Class					
Taxpayer Type	Type of Entity- Corporation, Partnership,				

	LLP, LLC, Individual - User defined selection menu. Super user configurable.				
State of Incorporation	User defined selection menu. Super user configurable.				

**(9) Legal Agreements**

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Agreement Type	Base Agreement Type. User defined selection menu. Super user configurable.				
Company Code	Unique identifiers for internal, PA Companies, e.g. Port Authority, PATH, WTC, Newark Legal Center				
Agreement Number	Base Agreement Number				
Commencement Date	Initial term start date.				
End of Term	End of base agreement term.				
Rent Commencement	Start of rent				
Expiration	System-calculated based on end of base agreement term and all executed renewal options.				
Profit Center	SAP Financial				
Business Area					
Date of Beneficial Occupancy					
Move Out (Vacancy) Date					
Related Agreement/Overlease	Allows entry of an assignment or other relationship to a related agreement/overlease. User defined selection menu. Super user configurable.				

Former Agreement Nos.	Used to provide history of different agreement numbers, if any.				
Industry	Allows additional classification of the business partner by industry.				
Currency	Defaults to USD.				
Variable Rent	Enables the assignment of sales-based financials on the agreement				
Current Status	Displays current status of the agreement, i.e. active, locked, terminated, etc.				
User Status	Allows users to assign custom statuses to the agreement. All currently active user status are shown here.				
Business Code	For assignment of business code. Same value list as Business Type				
Certificate of Insurance (COI)	User defined selection menu. Super user configurable.				
Approved by Risk Mgt	Field which allows entry of date COI was approved by Risk Management				
COI Identifier	Field which allows entry of COI identifier provided by Risk Management.				
Non-Financial Agreement	Checkbox provided to indicate if the agreement is financially irrelevant.				
Construction Obligation					
Rent Abatement(s)					
Capital Investment Amount					
Description of Capital Investment					
Capital Investment Responsibility	For assignment of capital investment responsibility- PA or				

	tenant.				
Capital Investment Date	Date the capital investment improvements were completed				

### 10. Term

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Commencement Date	Effective date of the agreement				
End of Initial Term	Expiration date of initial agreement term				
Rent Commencement	Date from which the cash flow (rent schedule) is generated. This controls when financial postings begin. Rename from 'Cash Flow From'				
First Posting From	If a date is entered here, then the system marks cash flow records as "already posted" if they have a calculation-to date before this date.				
Expiration	System-determined calculated agreement end date. Calculation is based on end of base agreement term and all executed renewal options.				
Term in Months	Length of initial agreement term in months.				
Latest End (Options)	Displays the end date of the agreement if all available renewal options were to be executed.				
Current Status	Current status of the agreement; i.e. In Initial Term, In First Option, Concluded, Terminated				
End of 1 <sup>st</sup> Fixed Term	Displays the date entered in the End of Initial Term field.				

Next Agreement End Date	Displays the next agreement end date.				
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### 11. Renewal Options

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Option/Automatic	Specifies if the option term needs approval or should be automatically renewed.				
Sequence	If more than one renewal/extension term exists this field specifies their sequence.				
Number of Renewals	Specifies the number of renewal options associated with the renewal rule. For example, this can be used to set up an automatic renewal rule that renews monthly for 12 months.				
Renewal Years	# of years the option/extension should renew				
Renewal Months	# of months the option/extension should renew				
Renewal Days	# of days the option/extension should renew				
Renewal Rounding	Determines whether the option/extension renewal calculation should have no rounding, or round to the 1 <sup>st</sup> or last day of the month.				
Notification Years	# of years in advance notification is required to execute a specific option/extension				
Notification Months	# of months in advance notification is required to execute a specific option/extension				
Notification Weeks	# of weeks in advance				

	notification is required to execute a specific option/extension				
Notification Days	# of days in advance notification is required to execute a specific option/extension				
Notification Rounding	Determines whether the notification calculation should have no rounding, or round to the 1st or last day of the month.				

## 12. Termination Notice

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Entry Date	Date notice of early termination is received/entered in the system.				
Notice Per	Date notice of early termination is effective.				
Reason For Notice	= Agreement Termination Reason. Reason for early termination.				
Extraordinary Reason	Automatically filled by reason for notice.				
Notice Given By	Automatically filled by reason for notice. Shows whether notice was given by the landlord or tenant.				

## 13. Utilities

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Electric Meter Number	Text field in order to allow assignment of multiple numbers				
Electric Meter Type	User defined selection menu. Super user configurable.				
Date Installed	Multiple dates can be stored in conjunction with multiple EM #s				

Water Meter Number	Text field in order to allow assignment of multiple numbers				
Water Meter Type	List field- values TBD				
Date Installed	Multiple dates can be stored in conjunction with multiple WM #s				
Chilled Water	Checkbox indicator				
Domestic Cold Water	Checkbox indicator				
Domestic Hot Water	Checkbox indicator				
HVAC	Checkbox indicator				
Trash Removal	Checkbox indicator				
Electric Type	User defined selection menu. Super user configurable.				
Cleaning Type	User defined selection menu. Super user configurable.				
Gas Meter Number	Text field in order to allow assignment of multiple numbers				
Gas Meter Type	User defined selection menu. Super user configurable.				
Condenser Water	All water				
Electric					
Extermination					
Natural Gas					
Other					

#### 14. Documents

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Document Type	Text field for type of document existing or requested under the base agreement number				
Required Approval	User defined selection menu. Super user configurable.				
Assigned	User defined selection				

Attorney	menu. Super user configurable.				
Notes	For entry of free-text notes.				
System Date Entered	System-generated when the line is entered and saved.				
Entered By	System-generated when the line is entered and saved. The value is the user's logon ID.				

### 15. Document Status

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Action/Date Type	Specifies the type of action/date (step in lease workflow).				
Document Name	Automatically filled when the relevant document is selected				
Date	For entry of date status was reached.				
Notes	For entry of free-text notes.				
Entered By	System-generated when the line is entered and saved. The value is the user's logon ID.				

### 16. Clauses, Provisions, Options

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Clause, Provision and Option (CPO).	Specifies the type of clause, provision or option. User defined selection menu. Super user configurable.				
Page	Field available for specifying the location of the relevant language within the legal document.				

Paragraph	Field available for specifying the location of the relevant language within the legal document.				
Notes	For entry of free-text notes				
Entered By	System-generated when the line is entered and saved. The value here is the user's logon ID.				

### 17. Investment Tracking

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
PA Investment Completion Date					
Tenant Investment Completion Date					
Tenant Required Investment Amount	In USD				
PA Investment Amount	In USD				
Doing Business AS (DBA)					

### 18. Concessions Classifications

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Business Type	User defined selection menu. Super user configurable.				
Concession Type	User defined selection menu. Super user configurable.				

19. Reports

Data Element	Authority Comments/Clarification	Compliant with NO customization	Compliant with SOME customization	Cannot comply	Comments
Facility	List of all facilities by Company, Department, Division, etc.				
Property (Parcel)	List of all property by Company, Department, Division, Facility, etc.				
Building	List of all buildings by Company, Department, Division, Facility, etc.				
Rental Units	List of all Rental Units by Company, Department, Division, Facility, etc.				
Occupancy / Vacancy	Rental Units, Buildings, Land, etc.				
Agreement Status	Based on agreement document workflow. Provides current status / stage of pending document.				
Agreement Expiration	Agreement expiration by Company, Department, Facility, Building, Land, Tenant, Agreement Number, Agreement Type, Person Responsible, etc.				
Tenant Directory	Tenant Contact list by Organization/Company, Facility, Building, Land, Terminal, Contact Type, etc.				
Tenant Portfolio	Company, Department, Facility, Division, Building, Land, Tenant Name, Rental Units, Revenues (separated by billable items), etc.				

## **Attachment E: Technical Requirements – Computer Hardware, Software and Networking Equipment**

The following requirements apply if the Port Authority purchases a software license-based System from the selected Respondent (Contractor).

### **1. Overview:**

The Port Authority, through the Technology Services Department (TSD), will provide all computing and networking equipment, which will be configured in compliance with the Standards and Guidelines for Port Authority Technology. The primary server(s), active/active, and/or applications software will be installed and managed by TSD in the Port Authority Telecenter data center and the active-backup server(s) and/or applications software, if required by contract, will be installed and managed in a different Port Authority data/control center. Additional server(s) and/or applications software will be installed and managed by TSD in a Port Authority "Integration and Test" environment. All computing and networking equipment will comply with the Standards and Guidelines for Port Authority Technology, unless written approval is received from the Technology Services Department.

### **2. Design:**

The Contractor shall identify its computing and communications requirements (i.e. performance needs, operating system platform, bandwidth, etcetera), which shall be in compliance with the Standards and Guidelines for Port Authority Technology, and the Technology Services Department (TSD) will design the computer equipment and network to meet the Contractors stated requirements and the requirements stated in the contract (i.e. number of workstations, availability, level of fault tolerance, bandwidth, etcetera).

### **3. Procurement:**

#### **a. Production Equipment**

TSD will furnish all workstations, servers, laptop computers and networking equipment that will be installed on Port Authority property and connected to the Port Authority Wide Area Network, which will be configured for compliance with the Standards and Guidelines for Port Authority Technology. The standard for communications equipment is Cisco. The standard for File & Print is IBM servers. The standard for Application and Database servers are IBM servers and NEC FT servers for 99.999% availability. The standard for virtualization software is VMware Esxi/vSphere on both IBM and NEC servers. The standard for Workstations include the following models (check with TSD for current models):

- Lenovo ThinkCentre "M" series for a desktop personal computer
- Lenovo ThinkStation "D" model for a CAD workstation
- Lenovo ThinkPad "X" series for laptop computers
- Panasonic Tough Book "CF" series laptops

#### **b. Contractor Equipment**

The Contractor shall ensure that the equipment used to test the software in their facilities complies with the Standards and Guidelines for Port Authority Technology to avoid any problems with the installation of the applications software on the Port Authority equipment.

### **4. Installation and Location of Computing and Communications Equipment:**

TSD will install the computing and communications equipment in the managed data centers and Authority facilities as required by the application.

#### **5. Installation and Testing of Application Software:**

Once the Contractor has completed its application development and contractually required acceptance testing, it will advise the Authority's project manager that it is ready for the application software to be integrated with the Port Authority Wide Area Network (PAWANET) infrastructure and services, and tested. The Contractor shall also submit procedures for the application software installation and configuration. The Contractor shall ensure that the application software, at the time of delivery, functions properly with the current versions of the operating system, database software and patches.

Under Port Authority supervision, the Contractor shall install and configure its software on the Authority servers in the Integration and Test Environment using the submitted software installation and configuration procedures. Once successfully installed and configured, the Contractor shall test its software to ensure that it works properly and is fully integrated with the Authority's infrastructure.

After the Contractor has demonstrated to its satisfaction that its software is fully functional in the Integration and Test environment and the Authority confirms that all PAWANET services are operating properly, the Contractor shall submit to the project manager a certification that its software is ready for field acceptance testing. The Contractor shall also submit updated procedures for the installation and configuration of the application software.

Upon approval from the project manager, the Contractor shall conduct the field acceptance test of the application software in accordance with the testing requirements specified in the contract documents

Subsequent to the successful testing of the application software in the Authority's Integration and Test environment and approval by the Authority's project manager, the Contractor shall install and configure its application software in the Authority's servers in the production environment under Port Authority supervision using the software installation and configuration procedures submitted by the Contractor and approved by the Port Authority.

Once again, the Contractor shall demonstrate the proper functioning of the applications software, in accordance with the testing requirements specified in the Contract Documents.

#### **6. Access to the Production System for Maintenance of the Application Software:**

The Contractor will be permitted access to the application software in the production system in order to perform its obligations in accordance with the requirements stated in the Contract Documents and the Maintenance Agreement. If it becomes necessary to physically access the production system, arrangements will be made through the Technology Services Department for the Contractor to access the production system under the Authority's supervision. The Contractor shall also be permitted limited access to the application software in the production system through the Authority's Remote Access Solution.

#### **7. System Administration:**

The Port Authority's Systems Administrator will maintain the operating system and all Port Authority furnished and installed security and monitoring software on the servers, workstations and laptop computers, and perform all system administration functions.

## 8. Database Administration:

The Port Authority's Database Administrator will maintain the database and perform all database administration functions.

## 9. Maintenance of Port Authority furnished and installed servers, workstations, laptop computers and networking equipment:

The Port Authority will monitor and maintain all Port Authority furnished and installed servers, workstations, laptop computers and networking equipment.

## 10. Typical Windows 2003-32/64-bit and 2008-64bit Server Build (See Notes 1 & 2)

- Windows 2003 Server SP-2, Windows 2008 Enterprise R2
- McAfee Virus Scan 8.5.i Enterprise Edition (8.5.0.781)
- Lumension Patchlink
- IBM Director Agent
- IBM Director Agent System Availability Tool
- FDR/Upstream V3.5.0C Client
- NetVision Agent
- IBM Internet Security Systems RealSecure® Server Sensor
- MyODBC 4.0.20 Client (if required)
- Internet Information Server (if required)

Note 1: Typical build is subject to change

Note 2: Special Contractor and project requirements can be discussed with TSD during the equipment design

## 11. Typical Windows XP Desktop Build (See Notes 1 & 2)

- Windows XP SP3 \_\_\_\_\_
- Microsoft Office 2007 Pro \_\_\_\_\_ 12.0.6313.5000
- Adobe Acrobat Reader \_\_\_\_\_ 9.3.0
- IBM RECORD Now \_\_\_\_\_ 7.0
- Internet Explorer \_\_\_\_\_ 7.0.5730 SP2
- InterVideo WinDVD DVD Player \_\_\_\_\_ 5.0.11.141
- Java 2 RTE Standard \_\_\_\_\_ 1.5.0\_100, 1.4.2.05, 1.4.2.06, 1.6.03
- Lan WorkPlace Pro \_\_\_\_\_ 5.2
- Adobe Flash \_\_\_\_\_ 10.0.45.2
- Microsoft .Net Framework \_\_\_\_\_ 1.0 SP3, 1.1 SP1, 3.5 SP1
- Microsoft Office Professional Edition 2003 Compatibility Pack for the 2007 Office System
- NICI \_\_\_\_\_ 2.7.0-2
- NMA\$ Client \_\_\_\_\_ 3.1
- Novell Client 32 \_\_\_\_\_ 4.9.1SP4 (4.91.4.20070720)
- Novell iPrint Client \_\_\_\_\_ 4.26.00
- Novell Nsure SecureLogin \_\_\_\_\_ 3.51.101

- Lumension Patchlink \_\_\_\_\_ 6.4.2.378
- QuickTime Player \_\_\_\_\_ 7.6
- Windows Installer \_\_\_\_\_ 4.5 KB942288-V3
- Windows Media Player \_\_\_\_\_ 11.0.5721.5.145
- McAfee VirusScan Enterprise \_\_\_\_\_ 8.5.0.781
- WinZip \_\_\_\_\_ 9.0 SR1 (6224)
- ZenWorks Desktop Management Agent \_\_\_\_\_ 6.5.200.50909

Note 1: Typical build is subject to change

Note 2: Special Contractor and project requirements can be discussed with TSD during the equipment design

## 12. Safeguarding Data:

All information concerning the business of the Authority which becomes accessible, or known, to the Contractor, their employees or subcontractors including, but not limited to, financial information, customers, customer lists, business plans, operational plans, data and computer programs, documentation, engineering/technical data, design process, pricing, research and development, strategic plans, and operating data resident on magnetic media, or other media processed, stored, archived or maintained, shall be protected from loss, erroneous alteration, and shall be held in strict confidence and protected from unauthorized access. All confidential data shall be protected at all times. The Contractor shall provide the same care and processes to prevent unauthorized access, modification, theft or other loss of the Authority data via the same, or enhanced, processes that it presently employs to protect its own information of a similar nature. In the event of any non-authorized access, modification, disclosure, theft or other loss, or inability to account for any Authority data, the Contractor will provide immediate notification to the Authority's Contract manager. In addition, the Contractor will be held liable for damages or expense to the Authority, including the cost of recovery of lost or modified data, staff time in dealing with the ramifications of the disclosure of private information and corrective procedures and actions undertaken.

## 13. Secure Access to the Software Applications:

In order to maintain confidentiality of sensitive information, security provisions must be employed in the System. These include data access limitation by password and permission, maintenance of audit controls and security violation reporting. Only the assigned Port authority user may have control of the assignment, removal or reinstatement of a user. Any changes must be audited. When a database is part of the solution the Vendor may not have access to the data but can be given read access of data when approved by the Port Authority. The access is removed once the Vendor has completed their work. All passwords must be encrypted and any traffic going over the air or across a network must be encrypted. Passwords must be changed at set expiration times and account lockout of accounts for three or more tries.

**ATTACHMENT F: REFERENCE INFORMATION FOR RESPONDENT PREREQUISITES**

**General Note – All customer references must be current employees of that organization**

1. The Respondent’s proposed System shall be in use by at least one other governmental entity in the United States. Examples of governmental entities include the State of New York, the State of New Jersey, New York City, and the U.S. General Services Administration (GSA), as well as other State, Local, and Public municipalities and agencies.

The Respondent shall have provided and installed, and continues to maintain, its proposed System to such governmental entity. The contract between the Respondent and the other governmental entity must be active (i.e. not expired).

2. The Respondent shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its response as a business actually engaged in providing real estate property systems to commercial and industrial accounts under contract.

The Respondent may fulfill this prerequisite if it can demonstrate that the person(s) or entity(ies) owning and controlling the Respondent have had a cumulative total of at least the same number of years of experience in the provision of similar services immediately prior to the submission of its response or has owned and controlled other entities that meet the requirement.

#	Govt. Entity Name	Description of Services Provided	Contract Commenced (MM/YYY Y)	Contract Terminated (MM/YYYY)	Contact Information, name, email address, phone #
1		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			

The Respondent shall demonstrate that it has earned gross revenues of at least \$5 Million for the last calendar year or fiscal year for the type of services described herein.

3. Respondents are encouraged to provide at least five additional references from firms (public or private) that use their systems:

#	Client	Description of Services Provided	Contract Commenced (MM/YYYY)	Contract Terminated (MM/YYYY)	Contact Information, name, email address, phone #
1		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			
2		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			
3		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			
4		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			
5		Provide System, Y or N: ____ Configure and Install System, Y or N: __ Subscription service, Y or N: ____ License-based System, Y or N: ____ Ongoing Maintenance, Y or N: ____			

## ATTACHMENT G: COST RESPONSE

### Entry of Prices

1. The prices quoted shall be written in figures, in ink, preferably in black ink where required in the spaces provided on the Pricing Sheet(s) attached hereto, as accepted by the Authority, and made a part hereof (unless modified).
2. All Respondents are asked to ensure that all charges quoted for similar operations in the Contract are consistent.
3. Prices must be submitted for each Item required on the Pricing Sheet(s).
4. All Respondents are asked to ensure that all figures are inserted as required, and that all computations made have been verified for accuracy. The Respondent is advised that the Port Authority may verify only that Response or those Responses that it deems appropriate and may not check each and every Response submitted for computational errors. In the event that errors in computation are made by the Respondent, the Port Authority reserves the right to correct any error and to recompute the Total Estimated Contract Price, as required, based upon the applicable Unit Price inserted by the Respondent, which amount shall govern in all cases.
5. In the event that a Respondent quotes an amount in the Total Estimated column but omits to quote a Hourly Rate for that amount in the space provided, the Port Authority reserves the right to compute and insert the appropriate Unit Price.
6. The Total Estimated Contract Prices are solely for the purpose of facilitating the comparisons of Responses. Compensation shall be in accordance with the section of this Contract entitled "Payment".
7. Estimated yearly hours are provided solely to enable computation of Total Estimated Costs. The Port Authority does not guarantee that the estimates are accurate

### Further Definitions and Clarifications:

1. **Implementation:** doing all things necessary as defined by the SOW (Attachment C), including but not limited to: the cost of the off the shelf product(s), configuration to the Authority System(s), initial installation on Authority hardware, training, 30 day acceptance testing and a one-year warranty period after successful testing and "go-live" on a 24 hours, 7 days a week basis.
2. **On-going maintenance:** is defined as doing all things necessary to maintain the system on a 24 hours x 7 days a week basis including but not limited to the installation and maintenance of all upgrades, patches, and debugging. *Warranty period* includes all functionality provided during Ongoing Maintenance.
3. **Hourly Rates** for Enhancements the Base Term and Option periods is defined as work not associated with the Initial Software Site License Purchase and On-going Maintenance for the Base Term and Option Periods. The Hourly Rates also apply to work associated with the Extra Work provision of the contract, which the Port Authority may or may not implement at its sole discretion.

\* All Respondents are to define the job titles, job responsibilities, and work associated with each description for this Selection Process Document.

## PRICE FORMS FOR SOFTWARE LICENSE-BASED SYSTEM

### A. Implementation

Note: For the Cost of Software, in the Assumptions Section below, the Respondent should itemize the cost of the software by tiered pricing: frequent users [66], occasional users [58]. Moreover, the Respondent should indicate a per unit cost for additional users, and identify any discounts per the # of users

Category	Number of hours (if applicable) and price	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
Cost of Software	\$ _____		
Installation on Authority Equipment	# of hours _____ Price : \$ _____		
Data Requirements, Collection, and Entry	# of hours _____ Price : \$ _____		
Configuration to Authority Requirements	# of hours _____ Price : \$ _____		
Acceptance Test	# of hours _____ Price : \$ _____		
Training (Development and Delivery)	\$ _____ per class X _____ classes = \$ _____		
One-year warranty period (ongoing maintenance)	# of hours _____ Price : \$ _____		

Escrow during warranty period	\$ _____		
Total Implementation	\$ _____		

**B. On-going Maintenance for five years:**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$ _____	x	12	\$ _____		
Two	\$ _____	x	12	\$ _____		
Three	\$ _____	x	12	\$ _____		
Four	\$ _____	x	12	\$ _____		
Five	\$ _____	x	12	\$ _____		
Escrow for five years	\$ _____	x	60	\$ _____		
Total				\$ _____		

**C. 1<sup>st</sup> Option Period: On-going Maintenance**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$ _____	x	12	\$ _____		
Two	\$ _____	x	12	\$ _____		
Three	\$ _____	x	12	\$ _____		

Escrow for 3 years	\$ _____	x	36	\$ _____		
Total				\$ _____		

**D. 2nd Option Period: On-going Maintenance**

Year	Monthly price	X	No. of months	Total	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
One	\$ _____	x	12	\$ _____		
Two	\$ _____	x	12	\$ _____		
Three	\$ _____	x	12	\$ _____		
Escrow for 3 years	\$ _____	x	36	\$ _____		
Total				\$ _____		

**E. Hourly Rates for Enhancements (Base Period, 5 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the base term (5 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 100	\$ _____
Program Manager	\$ _____	X 100	\$ _____
Trainer	\$ _____	X 100	\$ _____
Jr Programmer	\$ _____	X 100	\$ _____
Sr. Programmer	\$ _____	X 100	\$ _____
<b>Total—5 years</b>			\$ _____

**F. Hourly Rates Enhancements (1<sup>st</sup> Option Period, 3 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 60	\$ _____
Program Manager	\$ _____	X 60	\$ _____
Trainer	\$ _____	X 60	\$ _____
Jr Programmer	\$ _____	X 60	\$ _____
Sr. Programmer	\$ _____	X 60	\$ _____
<b>Total—3 years</b>			\$ _____

**G. Hourly Rates for Enhancements (2<sup>nd</sup> Option Period, 3 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 60	\$ _____
Program Manager	\$ _____	X 60	\$ _____
Trainer	\$ _____	X 60	\$ _____
Jr Programmer	\$ _____	X 60	\$ _____
Sr. Programmer	\$ _____	X 60	\$ _____
<b>Total—3 years</b>			\$ _____

**H. TOTAL ESTIMATED COST**

\$ \_\_\_\_\_

(Sum of Sections A through G)

**I. Assumptions: Indicate all assumptions part of the proposed pricing for the Software License-Based System. Attach additional sheets if necessary**

A. Implementation	
B. Ongoing Maintenance, Base Period	
C. Ongoing Maintenance, 1 <sup>st</sup> Option Period	
D. Ongoing Maintenance, 2 <sup>st</sup> Option Period	
E. Hourly Rates for Enhancements, Base Period	
F. Hourly Rates for Enhancements, 1 <sup>st</sup> Option Period	
G. Hourly Rates for Enhancements, 2 <sup>nd</sup> Option Period	
H. Miscellaneous	

**PRICE FORMS FOR SUBSCRIPTION SERVICE**

**A. Implementation**

Note: For the Cost of Software Subscription, in the Assumptions Section below, the Respondent should itemize the cost of the subscription service by tiered pricing: frequent users [66], occasional users [58]. Moreover, the Respondent should indicate a per unit cost for additional users, and identify any discounts per the number of users

Category	Number of hours (if applicable) and price	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
Cost of Software Subscription	\$ _____ year 1 \$ _____ year 2 \$ _____ year 3 \$ _____ year 4 \$ _____ year 5 \$ _____ one-yr warranty		
Data Requirements, Collection, and Entry	# of hours _____ Price : \$ _____		
Configuration to Authority Requirements	# of hours _____ Price : \$ _____		
Acceptance Test	# of hours _____ Price : \$ _____		
Training (Development and Delivery)	\$ _____ per class * _____ classes = \$ _____		

Escrow	\$ _____ year 1		
	\$ _____ year 2		
	\$ _____ year 3		
	\$ _____ year 4		
	\$ _____ year 5		
	\$ _____ one-year warranty		
Total Implementation	\$ _____		

**B. 1<sup>st</sup> Option Period**

Category	Number of hours (if applicable) and price	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
Cost of Software Subscription	\$ _____ year 1		
	\$ _____ year 2		
	\$ _____ year 3		
Escrow	\$ _____ year 1		
	\$ _____ year 2		
	\$ _____ year 3		
Total	\$ _____		

**C. 2<sup>nd</sup> Option Period**

Category	Number of hours (if applicable) and price	Government Contract-based pricing, Yes or No?	Identification of Government Contract (Name, Number, Term)
Cost of Software Subscription	\$ _____ year 1 \$ _____ year 2 \$ _____ year 3		
Escrow	\$ _____ year 1 \$ _____ year 2 \$ _____ year 3		
Total	\$ _____		

**D. Hourly Rates for Enhancements (Base Period, 5 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the base term (5 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 100	\$ _____
Program Manager	\$ _____	X 100	\$ _____
Trainer	\$ _____	X 100	\$ _____
Jr Programmer	\$ _____	X 100	\$ _____
Sr. Programmer	\$ _____	X 100	\$ _____
<b>Total—5 years</b>			\$ _____

**E. Hourly Rates for Enhancements (1<sup>st</sup> Option Period, 3 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 60	\$ _____
Program Manager	\$ _____	X 60	\$ _____
Trainer	\$ _____	X 60	\$ _____
Jr Programmer	\$ _____	X 60	\$ _____
Sr. Programmer	\$ _____	X 60	\$ _____
<b>Total—3 years</b>			\$ _____

**F. Hourly Rates for Enhancements (2<sup>nd</sup> Option Period, 3 yrs)**

	<b>A. STANDARD Proposed Rate/ Hour</b>	<b>B. Estimated number of hours for the option period (3 yrs)</b>	<b>C. Total Estimated Base Term (A x B = C)</b>
Software Engineer	\$ _____	X 60	\$ _____
Program Manager	\$ _____	X 60	\$ _____
Trainer	\$ _____	X 60	\$ _____
Jr Programmer	\$ _____	X 60	\$ _____
Sr. Programmer	\$ _____	X 60	\$ _____
<b>Total—3 years</b>			\$ _____

**G. TOTAL ESTIMATED COST**

\$ \_\_\_\_\_

(Sum of Sections A through F)

**H. Assumptions: Indicate all assumptions part of the proposed pricing for the Subscription-Based System. Attach additional sheets if necessary**

A. Implementation	
B. Hourly Rates for Enhancements, Base Period	
C. Hourly Rates for Enhancements, 1 <sup>st</sup> Option Period	
D. Hourly Rates for Enhancements, 2 <sup>nd</sup> Option Period	
E. Miscellaneous	

## ATTACHMENT H: IT CONTROL REQUIREMENTS

1. Application Controls Checklist;
2. Control Security Requirements;
3. Disaster Recovery Plan Checklist;
4. Security Administration Function;
5. Security Requirement;
6. Web Based Application Checklist

## APPLICATIONS CONTROL CHECKLIST

### General

- Overview of the application, what the function is, who uses the application, and where it is physically located.
- Documented procedures, flowcharts and processes maps.
- Physical access to the application hardware should be appropriately restricted.
- If vendor(s) support the application, a vendor contract and service level agreement (SLA) should be in place. The SLA should have provisions for uptime, performance monitoring, updates, etc.
- The application should have the Port Authority's (PA) warning banner on the login screen.
- Remote access should be restricted and documented in accordance with PA policy.
- Determine what form of output is possible through the application.

### Hardening of operating system/database that supports the application:

- Disable unnecessary ports/services.
- Remove all samples from the box.
- Change all default passwords; delete all default content and scripts.
- Limit user account access.
- Document system accounts like administrator, root, oracle, and sys.
- Document user/group access rights
  - Users/groups should be setup with the least access required to perform job responsibilities.
- Follow PA password standards (90-day expiration, lockout after 3 incorrect password attempts, concurrent logins, 6 alphanumeric characters)
- Set "automatic session timeout" to 15 minutes of inactivity and require user to log back in with a valid ID and password.
- Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
- Apply all new patches and fixes to operating system and application software for security.
- Use secure encrypted remote access methods.
- If the application is a web application, log (and monitor) web traffic and trend the activity looking for abnormal activity.
- Ensure that appropriate security and vulnerability assessment tools are running.

### License Management

- Ensure that application licensing requirements are documented, reviewed and maintained.
- Application licenses should be current/valid and individuals/groups with application access should have completed the necessary access request forms and adhere to licensing requirements.

### Logical Access Controls

- Procedures to grant/revoke access should be documented.
  - Access request forms for adding/modifying/deleting users should be used.
- Ensure that security administrator procedures exist to:
  - create/remove application access in a timely manner

- review user roles/permissions
- Validate that all users have accessed the application within the past 90 days.
  - Review dormant accounts
- Ensure that password controls for the application are consistent with PA requirements
  - Passwords must be at least 6 alphanumeric characters long
  - Passwords must be changed every 90 days
  - Passwords must not be shared
  - Session time-out after 15 minutes of inactivity
  - UserID accounts should be locked after a three logon failures.
- Password file should be securely stored with limited access and encrypted.
- Application forces initial passwords to be changed and the initial passwords should not be easily guessable.
- Each user has a unique userID.
- Should have a segregation of duties/roles.
  - Roles are setup with least access required to perform job responsibilities.

### **Application Controls**

#### ***Data Validation & Input Controls***

- The application should have input controls to verify the validity of the data entered.

#### ***Data Retention and Management***

- All data should be classified according to its sensitivity (confidential, etc) and protected accordingly.
- Data archive strategy should be documented and in place.
  - Should specify how long active data is kept.
- Sensitive data like credit card numbers and social security numbers should be encrypted.

#### ***Application Interfaces***

- Interface file should be secured and archived.
- Reconciliation of data should be done on a batch record and totals. Detail data reconciliations should be completed on periodic basis.

#### ***Processing Controls***

- Application databases/interfaces should have the necessary controls to prevent processing of inaccurate, duplicate, or unauthorized transactions and producing inaccurate outputs.
- Controls to ensure that all data is processed and accounted for should be in place.
- Rejected items should be logged, tracked and resolved in a timely manner.

#### **Change Management**

- Processes and tools should be used to report, track, approve, fix, and monitor changes on the application.
- The application and all changes to the application should be tested before being put into production.
  - Documentation of approval for change and evidence of testing should be in place.

#### **Application Logging, Audit Trails and Record Retention**

- Users and roles should be tracked and reviewed
  - Maintain documentation
- All failed logon attempts should be logged.
- All sensitive transactions and changes should be logged and an audit trail created.
- Audit trails should contain who made the change, when it was made, and what was changed.
- Only the security administrator should have access to change or delete these logs or audit trails.
- Audit trails should be reviewed by the business owner(s) and security administrator.

### **Management Reporting**

- Management reporting should be produced through the application.
- Transaction logs should be maintained.

### **Contingency Planning, Disaster Recovery and Backup Management**

- A Business contingency plan and a disaster recovery plan for the application should be documented.
- Plans should be tested and the outcomes of the tests (success/failure) should be documented.
- Backup copies of these plans should be stored off-site.
- Backup procedures should be documented and regular backups of the application and the application data should be stored off-site.
- Application executables should be stored off-site or in escrow.
- Application configurations should be documented and backed-up.

### **Performance Monitoring**

- Incident monitoring procedures should be documented and incidents logs should be reviewed to ensure that appropriate action is taken.
- Performance statistics should be examined and reviewed periodically by system administrators/business owner(s).
  - There should be SLA and /or requirement with the vendor for “uptime”.

## CONTROL SECURITY REQUIREMENTS

### *System Configuration*

- Default accounts are secured, locked or removed.
- Public and Guest accounts/profiles should be secured with no access.
- Controlled use of administrative accounts.
- Limited assignment of administrative privileges and roles.
- Access violation reports.
- Audit trails for operating, application and database systems
- Not display last user who signed on.
- No use of login scripts for accounts.
- Encryption of data in storage and transmission of data via the network.
- Unnecessary services removed and/or disabled.
- Secured and approved remote access strategy.
- Data archiving in place.
- Data Retention Policy and Procedures in place.
- Requirement for user name and password.
- System timeout for inactivity set to 15 minutes.
- All default settings or passwords changed.
- Test facility which replicates the production system.
- Patching up to date. Patch Management Procedures and documentation includes testing.
- Virus software implemented and up to date.

### *Physical Protection*

- Appropriate fire suppression systems in place.
- Temperature and humidity monitoring.
- Environmental condition adequately controlled (no water, dirt, clutter) and monitored.
- Physical access secured by single authentication mechanism i.e. swipe card.
- Physical security adequate for equipment (locked cabinets).
- Security cameras installed in sensitive areas.
- Power surge protection and emergency power backup are in place.

### *Backup*

- Backup data maintained off-site.
- System backup is encrypted.
- Full system backups exist.
- Backup tapes are tested periodically.

### *Access Controls*

- Background checks are performed on all personnel.
- Account expiration for contractors and consultants
- Account password is not the same as account name
- No concurrent login capabilities
- No accounts assigned to individuals who no longer require the account

- Default accounts are locked or secured.
- Accounts never logged into are removed.
- Accounts adequately identify the user – no generic accounts.
- Accounts not used by multiple individuals
- Administrator account passwords adequately secured.
- Disabled accounts are deleted.
- No test accounts on production.
- No generic accounts.
- No excessive privileges on accounts – least privilege granted.
- Guest accounts are removed.
- Inactive accounts are removed.
- Review of profiles, access levels, privileges.
- Access reports by user and privilege.
- All user account profiles should include Employee ID number and full user name.
- Assigned Security Administrator.
- Baseline tools or security products are implemented on a quarterly basis.
- Adequate network zoning.
- Adequate performance monitoring.
- Intrusion Detection System in place.
- Secured and authorized remote access.
- Firewalls in place.
- Warning message/banner.
- No modems (dial up or wireless).

### ***Password Controls***

- Password encryption enabled.
- Password uniqueness functions enabled.
- Passwords expire every ninety days.
- Forced password change at initial log on.
- Passwords set for a minimum of six characters, combination of letters, numbers, and special characters.
- Retention of unsuccessful login attempts and length of account lockout time set to PA standards.
- Password dictionaries.
- Account lockout function enabled and set according to standards.
- Password age in compliance with PA standards.

### ***Documentation / Procedures***

- Security Administration Procedures documented.
- Procedure for granting, modifying or deleting access to the system are documented.
- Access request forms authorized.
- Access request forms retained.
- Access request forms are used to assign access.
- Change Management procedures documented
- Test results documented.

- Backup, restart and recovery procedures documented.
- Disaster Recovery Plans and Business Resumption Plans documented and comprehensive.
- Documentation is current for System Manuals, Operating Instructions.
- Documentation is up to date for Firewall rule sets.
- Inventory listings of equipment and software.
- Adequate training
- Password reset procedures controlled (Help desk function).
- System Administration procedures documented.
- Data retention and archiving procedures documented.
- Roles and Responsibilities defined and documented.
- Virus Patch Management procedures documented.
- Batch and Interface Management procedures documented.
- Patch Management procedure documented.
- Escalation procedures documented.
- Incident Response procedures documented.
- Incident and Error logging/tracking.
- Topologies exist and are up to date (system/network diagrams).
- System monitoring/performance.
- Log reviews.
- Management reporting – like Access Reports, Exception transaction reporting.

## DISASTER RECOVERY PLAN CHECKLIST

Disaster recovery is a plan that could be executed in the event of a total disaster in order to bring the computer systems back to a functioning whole. Typically, the disaster in question is one, which destroys a complete site that requires restoration of support, particularly Information Technology support. Most commonly considered causes of disasters are fire, explosion, flooding, hurricanes and tornados. Disaster recovery planning normally involves alternate locations for major systems as well as the planning and testing of switch over measures, emergency transportation and so on.

The Disaster Recovery plan should include at a minimum the following areas.

1. Disaster Recovery
  - Manager Responsibilities
  - Plan Administration
    - Distribution of the Disaster Recovery Plan – All team members, LAN and an offsite location should have a copy of the current plan and its attachments.
    - Maintenance of the Business Impact Analysis
    - Training of the Disaster Recovery Team
    - Testing of the Disaster Recovery Plan
    - Evaluation/Review of the Disaster Recovery Plan and Tests – the DR Plan should be reviewed and the DR Test should be performed at a minimum twice a year. Update the plan to reflect changes in activities, procedures, performance, staff, and etc. Set a regular time for the review.
    - Maintenance of the Disaster Recovery Test Results – Maintain copies of the test results and what scenarios and areas of the plan were tested.
2. Business Impact Analysis - Minimize the impact on the business with respect to dollar losses and operational interference
  - Critical Time Frame - Recover the system and/or component of the system within the critical time frames established and accepted by the user community. This should include the time estimate of how long it would take to recover the whole system or any sub components.
  - Application System Impact Statements - This area is where a business owner decision of what areas of the system has a priority in how it is brought back into normal operation. How long could these operations be performed without computer support?
    - Essential – Are systems or components of the system that are very critical and need to be back in operation immediately because the business cannot function.
    - Delayed – Are systems that are needed but could be delayed and could not adversely effect the business process.
    - Suspended – Are system or components that are not critical and can wait until the full system is back to normal operation.
  - Recovery Strategy & Approach
3. Disaster Definition – All possible interruptions should be defined, and then the steps to minimize their impact need to be documented. This includes disk array failure, power loss, loss of network, loss of wireless network, loss remote access, equipment, computer processor failures, etc.
  - Detailed Recovery Steps for each Disaster Definition - This should be the technical steps to recover the different areas of the system like the Operating system, database, application, routers, firewall, and etc.

- Escalation Plans and Decision Points
4. Data Center Systems – Dependencies should be noted.
- System Components- A copy of all essential office equipment and records should be stored off-site. Specify any special computer hardware, software, databases, networks or other technology.
    - Backup Strategy
      - Storage Rotation
      - Back-up Files
      - Off Site Storage of Back-up Files
      - Back-up Files Retrieval Process, Vendor information and Forms for Off Site Storage
    - Hardware -
      - Hardware inventory for system in operation
      - Desktop Workstations (In Office)
      - Desktop Workstation location
      - Desktop Workstations (Offsite including at home users)
      - Laptops
    - Software -
      - Software inventory of the system in operation
      - Systems, Applications and Network Software
      - Communications
      - Operations
    - Off-Site Inventory
    - Supplemental Hardware/Software Inventory
5. Escalation Plans and Decision Points
6. Disaster Recovery Emergency Procedures
- Plan Procedure Checklist - should have a checklist of the plan procedures and area for documenting exceptions where the plan was not adhered to and what was done in its place. Disaster Recovery Procedures in a check list with approval format.
  - Disaster Recovery Organization – should have the full disaster recovery team listed by position or individual and what are their responsibilities. This section of the plan should include Port Authority and PATH personnel, PA/PATH management, and all vendors that work or have responsibilities during a disaster. This area should be reviewed semi-annually for updates and changes.
    - Recovery Organization Chart
    - Disaster Recovery Team & Recovery Team Responsibilities
    - Recovery Management & Senior Manager Responsibilities
    - Damage Assessment and Salvage Team & Team Responsibilities
- Problems and Changes - Need to be documented and what was done to rectify them.

Essential Position – Require back-up personnel to be assigned.

7. Pre-Disaster - What steps need to be in place prior to a disaster for this plan to work? If there are any assumptions, they should be notated here.
  - Recovery Management
  - Damage Assessment and Salvage
  - Hardware Installation
  
8. Contacts information - This area should be reviewed semi-annually for updates and changes.
  - Disaster Recovery Team - This should include primary and secondary phone numbers, home address, emergency contact information, and their backups information.
  - Vendor Phone/Address List – Include account information and account representative information.
  - Command Center – Primary and Alternative site locations, hot spots, phone numbers, time scheduling
  
9. Post-Disaster – Detail what steps need to be taken to move from disaster mode back to normal operations.

## Security Administration Function

Responsible for:

- ◆ Establishment of access rights, groups, profiles etc. for a system or application for which they are responsible and documenting their use and definitions.
- ◆ The development of security procedures which define the granting of access and the administration of security functions of their system or application. The ongoing review and update of these security procedures.
- ◆ Responsible for the development of add/change/delete access requests forms.
- ◆ The development of procedures for changing or deleting accounts or privileges when staff leave or change assignments. Execution of these procedures in a timely manner.
- ◆ Regular review of who has access to their data and determining if it is appropriate and still required.
- ◆ Ensuring that users are required to acknowledge, in writing, that they have been informed of the organization's position on security and confidentiality of information prior to access being given.
- ◆ Assigning appropriate expiration dates for accounts used by temporary/consulting staff.
- ◆ The development of procedures for responding to, documenting and escalating security incidents.
- ◆ The investigation and appropriate escalation of a security incident matter.
- ◆ Setting any global system or application controls (i.e. password controls, time out, concurrent logins) consistent with the Standards and Guidelines for Port Authority Technology.
- ◆ Restricting remote access and monitoring and reviewing the activity log. (Limit or no use of modems. Modems should be configured according to the Standards and Guidelines as certified by the Information Systems Security Officer.)
- ◆ Development and review of reports such as Kane Security Analyst, ISS or ESM to monitor areas of security exposure.
- ◆ Daily event log reviews for irregular activities and security violations.
- ◆ Keeps management and the business unit informed on security issues.
- ◆ Development of regular processing schedules for the production of security reports i.e. unsuccessful logon attempts, audit trail reports.
- ◆ Development of procedures for reviewing the reports and logs on a regular basis and taking appropriate corrective action.
- ◆ Responsible for ensuring that the system complies with the Standards and Guidelines for Port Authority Technology.
- ◆ Determining high-risk activities, establishing logs of those activities and tables and determining appropriate review cycles.
- ◆ Ensuring that operating system, database system and application security issues are coordinated.
- ◆ Keeping abreast of vulnerabilities of systems, databases, or application as they are discovered and patching them or implementing compensation controls.
- ◆ Development of procedures for the disposal of unneeded confidential data produced from the application.
- ◆ Ensure all system hardware (i.e. servers, comm. rooms, backup tapes, etc.) and software are secured from tampering or damaging.
- ◆ Ensure that operating systems at a minimum complies with the Distributed Systems Environment in the Standards and Guidelines and industry standards.
- ◆ Document a virus protection and recovery plan.
- ◆ Firewall Administration, Firewall configuration, rules, logs, and patches
- ◆ Intrusion Detection System Administration, monitoring network traffic across the firewall and in the DMZ.
- ◆ Router and Switches Administration, configuration file, backups, patches, and change controls.

## Security Requirement

### Network architecture

- Diagram
- Router and Switch Configurations
- Firewall Configuration
- IDS Nodes and System Signatures
- Alerts and Logs
- Failover & Redundancy

### UNIX

- Administration
- Port and Services (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Redundancy / Data Replication
- System Log & Violation Logs
- Root
- Vulnerability Scanner

### Windows

- Administration
- Services and Ports (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Patches
- System Log, Audit Trails & Violation Logs
- IIS
- Administrator & Guest
- Vulnerability Scanner

### Oracle

- Administration
- Services (unnecessary)
- Utilities (unnecessary)
- Access Rights/ Segregation of Duties
- Redundancy / Data Replication
- Audit Trail and Triggers
- Sys, System, Internal
- Vulnerability Scanner

### System Administration

- Batch Management & Processing
- System Monitoring (HP Open View & SNMP)
- Vulnerability Software & Baseline Tools (i.e. ISS & Tripewire)
- Patch Management (Proactive)
- Virus Management

Instance Management  
Performance Monitoring  
Change Control - System, Application

#### Web Logic & XML

SSL certificates (HTTPS)  
Key Generation & Management – Smart Card  
Access Rights/ Segregation of Duties  
Audit Trails & Violation Logs  
Java, SSL, Web Logic Patch Management

#### Remote Access

Security  
Authentication and Integrity  
Blue Ridge – VPN  
IBM Mail Box  
PA Approval via TSD (MF)

#### Security Administration

Review of Audit Trails and Violation Logs

#### Documentation

System Administration Manuals  
Security Administration Manuals  
User Manuals

#### General

Login Banner  
Physical Security  
System Defaults  
Authentication & Password Controls (90 day exp., 15 min. timeout, 3 attempts, concurrent logins, 6 alpha numeric)  
Escalation Procedures  
Incident Response Procedures  
Archiving  
Backup and Recovery  
Disaster Recovery (Plan & Testing)  
Business Resumption (Plan & Testing)  
Software Inventory  
Hardware Inventory  
Account Expiration for Consultants and Contractors  
Vulnerability Scanner

## Systems Administration & Operation Manual Requirements

### **General Information**

- 1) Server name
  - a) IP address
  - b) Location
  - c) Operating system – version, patch level
  - d) Database – version, patch level
  - e) Application
- 2) LDAP and Domain Controller Configuration
- 3) Diagrams
  - a) Network topology
  - b) Application flowcharts

### **System**

- 4) System Configuration
- 5) System Applications and Services
- 6) Network Time Synchronization
- 7) Patch Management
  - a) Normal and Emergency Procedures
- 8) System Schedule
  - a) System downtime
  - b) System backups
  - c) System batch processing

### **Access Controls**

- 9) Roles / Profiles (Access Control List)
  - a) List of ACLs
  - b) Creation and updates to ACL
  - c) Testing and Approval of ACL
- 10) Granting and Revoking User Access
  - a) Access Request Forms
- 11) User Accounts and Access Reports
  - a) Generating Reports
  - b) Report Distribution and Report Approvals/Reviews

### **Password Controls**

- 12) Password Configuration
  - a) Length
  - b) Alpha/numeric
  - c) Password dictionary
  - d) Password age
  - e) Password expiration
- 13) Account Policies
  - a) Concurrent log in

- b) Vendor/Consultant Account Expiration (usually the length of the contract)

### **Remote Access**

- 14) Strategy/Approach
- 15) Approvals

### **Operation**

- 16) Administrator(s) roles and responsibilities
  - a) Chart or description
- 17) Startup and Shutdown Server procedures
- 18) Batch processing
  - a) Production runs – list of batch programs with schedules
- 19) Backups
  - a) Schedule – frequency
  - b) Testing of tapes
  - c) Offsite locations
    - i) When picked up
    - ii) Where stored
  - d) Tape encryption
    - i) Each tape and/or disk files should have an external label
  - e) Tape destruction – scratching and disposal of tapes
- 20) Recovery
  - a) Procedures

### ***Physical***

- 21) Server Location
  - a) Site Security
  - b) Server Mounting
    - i) What is the rack configuration and who has access to the keys
  - c) Environmental Controls
    - i) Humidity and Temperature Monitoring

### ***Anti-Virus Management***

- 22) Engine and Definition Management
- 23) Emergency Updates
- 24) Remote Distribution Server

### ***Change Management***

- 25) Testing Environment
- 26) Normal Procedures
- 27) Emergency Procedures
- 28) Requests are documented
- 29) Specific timetables/scheduling are documented
- 30) Documented reason for request and approvals

- a) name of requester
  - b) phone number and department
  - c) requester's signature
  - d) reason for change
  - e) List of modules that need to be changed
  - f) Supervisor's name
  - g) Supervisor's approval (changes must be approved by someone other than the requester).
- 31) Determine if priorities are assigned to the change requests.
- 32) Budget/costs are communicated to system owner.
- 33) Process used to control and monitor change requests (central repository/ tracking system).

#### ***Patch Management***

- 34) Procedures
- a) Operating System
  - b) Database
  - c) Application
- 35) Testing
- 36) Approvals
- 37) Remote Distribution

#### ***Reporting and Monitoring***

- 38) System Monitoring
- a) System Utilization and Performance
    - i) CPU
    - ii) Disk space
  - b) System Response time
- 39) System Reporting –
- i) Report generation schedule and distribution
  - ii) Review and approval
- a) System Performance
  - b) Audit Trails
  - c) Violation Reports

#### ***Problem & Incident Management***

- 40) Problem reporting/resolution tracking system
- a) Problems are appropriately logged and prioritized.
  - b) Corrective measures are documented.

#### ***Segregation of Duties***

- 41) Developers and or Programmer have no access to the production server.
- 42) OS administrators have no access to the Production database and application.

## WEB BASED APPLICATION CHECKLIST

### Web Environment Controls

- Network Architecture:
  - Ensure firewall hides the structure of the internal network.
  - Ensure outside traffic is filtered by the external firewall, and should be allowed to access the DMZ with only those services that are required (i.e. HTTP, HTTPS, FTP)
  - Ensure that all traffic passing between the internal and external networks pass through the DMZ.
  - Intrusion Response Controls Intrusion Detection/Prevention:
    - Use intelligent IDS (intrusion detection system) or IPS (intrusion prevention system) to detect or block DoS (denial of service) attacks.
    - Prepare an intrusion response strategy and document and test policies and procedures to respond to intrusions in a timely manner and eliminate potential errors, and omissions.
- Hardening of Host/Operating System:
  - Disable unnecessary ports/services
  - Remove all sample sites from the box
  - Change all default passwords; delete all default content and scripts.
  - Limit user account access.
  - Follow PA password standards (i.e. 90-day expiration, minimum of 6 alphanumeric characters, lock account after 3 incorrect passwords)
  - Set “automatic session logout” to 15 minutes of inactivity and require user to log back in with a valid ID and password.
  - Implement access control at the database level (i.e. user roles and permissions, passwords, secure links)
  - Apply all new patches and fixes to operating system and application software for security.
  - Use secure and encrypted remote access methods.
  - Log (and monitor) web traffic and trend the activity looking for abnormal activity.
- Directory Structure for Web Server:
  - Use separate directories, partitions or disk locations for web server logs, contents, scripts and other information vs. system directories and user information. In addition, use a single directory exclusively for all programs executed as part of web server content
- Web Server Security Related Configuration Settings
  - Block an IP if there are numerous requests for the URL to prevent a possible attack. (IP scan)

### Web Site Management Issue

- Use certificates on the site. So users can confirm they are on the right site.
- A formal “content management” process (and supporting tools) should be in place to provide change controls, approvals, version controls, and security over changes to web site content to prevent unauthorized changes.
- Validate links periodically to identify dead or misdirected links for correction
- Ensure compliance with Payment Card Industry (PCI) Data Security Standard (DSS) Requirements (e.g. Visa, Master Card, etc).
- Systems monitoring should be in place for the server and other relevant devices including the use of automated systems management tools.

- Backups of the website including web server configuration files, static content files, script directories and etc. regularly.
- Secure application, logs, encryption keys, certificates and passwords on the production box. If possible move them to another secured or restrict access to administrators only.
- In the System Development Life Cycle (SDLC), ensure that there are application development and coding standards.
- Legal Issues:
  - The site should have a privacy statement and term of usage.
  - American Disability Act – Section 508 should be considered during the development process due to the requirement that federal agencies’ electronic and information technology is accessible to people with disabilities.
- Web Authentication: To prevent passwords from being passed in the clear, have authentication occur within an SSL encrypted tunnel. Use SSL (certificate) to protect the password.
- Access Controls:
  - Ensure that separation of duties occur at the two levels of access control for web applications: Functional access controls (URL –based) and Data-level access control (handled within application)
- Password Reset:
  - For internal applications, reset passwords via the helpdesk or security administrator of the site
  - Send forgotten password to known e-mail address or via customer service screens after the user has been validated for customer service application.
- Conduct regular audits, vulnerability testing, security scanners and MD5 hash comparisons of the production site. (MD5 – An algorithm that produces a checksum that is revalidated to detect any modification to sensitive hidden form fields, files, directories, etc.)
- All sensitive or confidential data (including passwords, session IDs for sensitive applications, confidential or sensitive business transactions, etc.) should be transmitted between browser and server within an SSL-encrypted session.

### **Web Application Vulnerabilities and Controls**

- Best Practice and Standards:
  - The Open Web Application Security Project (OWASP) - [www.owasp.org](http://www.owasp.org)
  - [www.webappsec.org](http://www.webappsec.org) (a consortium of web application security professionals)
  - Center for Internet Security (CIS) – [www.cisecurity.org](http://www.cisecurity.org)
- Sessions IDs:
  - Ensure sessions IDs are difficult to spoof/guess.
    - Session IDs should be long (at least 30-40 digits for secured applications) and contain alphanumeric characters
    - Session IDs should be unique, random and non-predictable.
    - Session IDs should expire after a reasonable time limit (1-3 hours) or for inactivity (10-15 minutes)
  - Ensure session IDs are negotiated whenever a user crosses a secured boundary (from an unsecured to a secured portion of the site)
  - Ensure session IDs are transferred only within an SSL session.
- Cookies:
  - Session cookies should be assigned randomly (non-sequential).
  - Ensure that session cookies/tokens are non-persistent and are not written to a user’s browser history or cache. Use a server-based session cookie/token.

- Ensure session cookies expire and are removed from the server for elapsed time (30 minutes-2 hours) or inactivity (10-15 minutes)
- Invalidate the session cookie/token on the server when the user logs out or leaves the site.
- Use the Post HTTP Methods to transfer information from the browser to the server.
- Preventing Hacking Reconnaissance:
  - HTTP Status Error Codes should be monitored.
  - Never use default names for directories, (e.g document root, CGI directories, etc.)
  - DNS (Domain Name Services) zone transfer – Ensure default names are changed because these are keywords hackers are searching, (e.g. “gateway”, “firewall”, and “proxy”).
- Store User dependent Data in a Session table:
  - Whenever possible, only the session ID should be stored on the browser and sent with each request
  - All other user-specific and session-specific variables should be stored on the server in a session table.
- Perform data validation & integrity checks for field values and ensure the HTML special characters are stripped for all HTML request.
- At a minimum, applications should strip all (HTML) meta-characters (e.g. <, >, &, etc.), including OS and related SQL meta characters, from user input.
- Restrict the use of the hidden fields.
- Ensure that ID, passwords and system comments are not be included in scripts and pages.
- Ensure the application will not process SQL commands from the user browser
- Do not allow site pages to be cached by user browsers.
- Error Messages:
  - Applications should trap all specific system error messages, especially those from other infrastructure components that reveal information about the application internals.
  - Ensure that only generic messages with little to no information content should be sent to the user’s browser.

**ATTACHMENT I: LEASE WORKFLOW PROCESS**

See following page

**ATTACHMENT J: STANDARD AND GUIDELINES FOR PORT AUTHORITY TECHNOLOGY**

See following pages