February 28, 2020

Dear Sir/Madam:

Enclosed please find Addendum No. 2 for SEPTA’s RFP No. 19-00219-ARLW for the Operation of ADA Paratransit Services in Montgomery County.

Addendum No. 2 must be acknowledged by completing the Addendum Acknowledgement Form and submitting the Form with your Technical Proposal.

The due date for the submission of proposals of Tuesday, March 17, 2020, by 10:30 A.M. (Prevailing Eastern Time) remains unchanged.

Addendum No. 2 addresses the modifications to the agreement.

Clarification questions and answers will follow under separate cover.

Any inquiries regarding this Addendum must be directed to Rebecca L. Ware of the Procurement, Supply Chain, & DBE Department at (215) 580-8325.

Thank you for your interest in the Authority.

Sincerely

Rebecca L. Ware

Rebecca L. Ware
Sr. Contract Administrator
Procurement, Supply Chain, & DBE
ADDENDUM NO. 2

ADDENDUM ACKNOWLEDGEMENT SHEET

SEPTA’s RFP No. 19-00219-ARLW-Operation of ADA Paratransit Services in Montgomery County

The attached addendum to the Contract Documents is hereby part of the same and is incorporated in full as part of the Project. Proposer shall acknowledge Addendum No. 2 by completing and returning the Addendum Acknowledgement Sheet with the Technical Proposal.

FIRM NAME (typed or printed) ______________________________

AUTHORIZED SIGNATURE _______________________________

TITLE _________________________________

NAME (typed or printed) ___________________________________

DATE_____________________

The due date for the submission of proposals of Tuesday, March 17, 2020 by 10:30 A.M. (Prevailing Eastern Time) remains unchanged.

Addendum No. 2 includes:

1. Remove: Pages 14 – 16 in the RFP Copy of the Proposed Agreement
   Replace With: Attached replacement pages 14 – 16, more fully discussed in the attached 2 page addendum.
1. **Form of Agreement**  
Section 10.1 Indemnification

This includes a requirement for Broad Form Indemnification of SEPTA, whereby the Contractor is required to defend, indemnify, and hold SEPTA harmless even for claims in which SEPTA is in whole or partly negligent. Would SEPTA modify this language such that Contractor indemnifies SEPTA if suit is brought against SEPTA for the claims caused by Contractor?

   a. **See revised language in replacement page 14.**

2. **Form of Agreement**  
Section 10.2 Insurance

   10.2 Would SEPTA strike “a non-deductible” from the first sentence? Many of our policies contain some level of a deductible.

   a. **See revised contract language in replacement page 15.**

   10.2 Would SEPTA reduce the $1M of UM/UIM coverage to statutory minimums?

   a. **Denied.**

   10.2 f. In this CCT contract, SEPTA has added that the “physical damage shall not exceed a deductible of not less than $1,000 per vehicle and a collision deductible of not less than $1,000 per vehicle and $1,000 aggregate…”

   • Would SEPTA allow higher deductible policies standard in the transportation industry ($2.5K comprehensive / $5K collision)?

   a. **See revised language in replacement page 16.**

   • Would SEPTA delete the phrase “and $1,000 aggregate” from this section, as these deductibles (as industry standard) are per occurrence and not aggregate.

   a. **See revised language in replacement page 16.**

10.2 j. Would SEPTA include “and Employment Practices Liability” to the list of policies where SEPTA is not required to be listed as additional insured?

   a. **See revised language in replacement page 16.**
10.2 o. Are any additional insured’s required under this contract?

   a. SEPTA is to be named as additional insured.

10.2 p. Would SEPTA increase the SIR limit to $100,000?

   a. Denied, however, SEPTA will consider increasing the limits, on a case by case basis, at SEPTA’s sole discretion, if the contractor can demonstrate the financial capacity to do so.

3. Form of Agreement

   Section 10.3 Insurance Policy Requirements

10.3 Some carriers refuse to assure provision of at least 30 days advance notice of cancellation or nonrenewal must be provided to SEPTA. Would SEPTA approve shifting onus to notify SEPTA to the Contractor?

   a. No, however, SEPTA will accept a notice of cancellation from a responsible insurance broker on behalf of the contractor.

10.3 Would SEPTA eliminate the required Waiver of Subrogation for the EPL policy only, as that endorsement is not available?

   a. Denied, however, the policy declaration pages can be updated or the contractor can select a carrier that has the endorsement.
b. At the time Contractor makes a formal request to SEPTA’s Project Manager for an assignment, Contractor shall pay to SEPTA a fee of $2,500.00 in order to reimburse SEPTA for its internal costs and expenses incurred with respect to the proposed assignment including, without limitation, costs incurred in connection with the review of financial materials, meetings with representatives of proposed assignee and preparation, review, approval and execution of the required documents. Contractor shall reimburse SEPTA for any third-party costs and expenses incurred in excess of $2,500.00 with respect to a proposed assignment.

ARTICLE X
INDEMNIFICATION AND INSURANCE

Section 10.1. Indemnification.

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

Contractor also agrees for itself and on behalf of its agents, servants, subconsultants/ subcontractors, materialmen and employees to defend, indemnify and hold harmless SEPTA from and against any and all claims of any kind or nature whatsoever regarding subconsultants/subcontractors and materialmen and agrees to assume the defense of SEPTA to any such suit at its cost and expense. The Contractor further assumes the risk of loss and damage to materials, machinery and equipment to be incorporated in the Work at all times prior to delivery to the Project site or while in the possession or under the control of the Contractor.
Contractor, for itself and its employees, Board members, officers, agents, servants, workers, contractors/consultants, subconsultants/subcontractors, licensees and invitees, or any other person working on Contractor’s behalf, hereby releases and agrees to be liable for and to defend, indemnify and save harmless SEPTA, even if SEPTA is negligent in whole or in part, for any claims made by an employee, Board member, officer, agent, workman or servant of the Contractor’s or any other person working on Contractor’s behalf, including claims for compensation or benefits payable to any extent by or for Contractor under any workers’ or similar compensation acts or other employee benefit acts, and Contractor expressly waives its statutory protection under §303, as amended, of The Pennsylvania Workers’ Compensation Act, 77 P.S. §481 (b).

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

Contractor and its attorney and insurer shall keep SEPTA fully informed of all matters involving, concerning or relating to the defense and indemnification of SEPTA. SEPTA shall have the right to review any and all correspondence, pleadings, or filings prior to any such correspondence, pleading, or filing being submitted. Contractor and its attorney and insurer shall take no factual or legal position that is contrary to SEPTA’s position or rights including, but not limited to, any rights or immunities bestowed upon SEPTA under the Sovereign Immunity Act, 42 Pa.C.S. § 8501 et seq. In the event that Contractor or its attorney or insurer fails or refuses to defend and indemnify SEPTA or SEPTA reasonably believes that its rights may be adversely affected or prejudiced, SEPTA may select counsel of its own choice and defend against any such claim at Contractor’s sole cost and expense.

Section 10.2. Insurance.

At all times after the execution of the Agreement, Contractor will carry and maintain, at its expense, a non-deductible:

a. commercial general liability insurance policy, including (but not limited to) insurance against assumed or contractual liability under the Agreement, covering bodily injury or death, and property damage to third parties of not less than $5,000,000 Million Dollars ($5M) combined single limit per occurrence, and $10,000,000 Million Dollars ($10M) annual aggregate per policy period; which limits may be met with a combination of primary and excess liability policies; and

b. abuse and molestation under commercial liability of not less than $5,000,000 ($5M) combined single limit per occurrence; and $10,000,000 ($10M) general annual aggregated per policy period; and

c. products completed operation liability of $2,000,000 ($2M) combined single limit per occurrence; and
d. personal and advertising liability of $1,000,000 ($1M) combined single limit per occurrence; and

e. automobile liability policy with a limit of not less than $5,000,000 Million Dollars ($5M) combined single limit per occurrence, which limit may be met with a combination of primary and excess liability policies. The automobile liability policy must include uninsured and underinsured motorist coverage with policy limits of $1,000,000 Million Dollars ($1M) per occurrence and must be applicable to all vehicles that Contractor uses in the performance under the Agreement, whether or not a vehicle is owned by Contractor or SEPTA; or is hired, rented, leased, or borrowed; Limits may be met with a combination of primary and excess liability; and

f. physical damage shall not exceed a comprehensive deductible of not less than $1,000 $2,500 per vehicle and a collision deductible of not less than $1,000 $5,000 per vehicle and $1,000 aggregate and must be applicable to all vehicles that the Contractor uses under the performance of the Agreement whether or not a vehicle is owned by a Contractor or SEPTA or is hired, rented, leased, or borrowed; and

g. worker’s compensation insurance policy, or similar insurance in form and amounts the law requires, with a $1,000,000 Million Dollars ($1M) Employers Liability limit applicable to Bodily Injury, each Employee; Bodily Injury, each Accident, and Disease, each Employee; and as required by the Commonwealth of Pennsylvania.

h. employment practices liability insurance (EPLI) policy, including coverage for third-party discrimination and harassment claims, at a minimum limit of $1,000,000 each claim and aggregate.

i. SEPTA must be provided with true copies of declaration pages and policies of insurance upon request.

j. SEPTA is to be listed as additional insured on all applicable liability policies excluding Workers Compensation and Professional Liability and Employment Practices Liability (EPLI).

k. Workers Compensation must provide a waiver of subrogation.

l. Each policy shall state that the insurance provided to the additional insureds is primary and noncontributory to any other insurance available to the additional insured.

m. SEPTA must be the certificate holder on all applicable liability coverage with respect to this project and it should be noted on the insurance certificates and policies.