

AGENDA
REGULAR MEETING OF COUNCIL
March 30, 2017
6:30 PM

1. ROLL CALL
2. READING OF MINUTES
3. REPORTS & COMMUNICATIONS FROM MAYOR & HEADS OF DEPARTMENTS AND INTERESTED PARTIES AND CITY CLERK'S NOTES:
 - 3.A TAX ASSESSOR'S REPORT FOR HEARING DATE HELD MARCH 29, 2017.

[Tax Assessor's Report for 3-29-17.pdf](#)
 - 3.B MINUTES OF THE SCRANTON-LACKAWANNA HEALTH AND WELFARE AUTHORITY'S REGULAR MEETING HELD JANUARY 19, 2017.

[Scranton Lacka Health & Welfare Authority Meeting 1-19-17.pdf](#)
4. CITIZENS PARTICIPATION
5. INTRODUCTION OF ORDINANCES, RESOLUTIONS, APPOINTMENT AND/OR RE-APPOINTMENTS TO BOARDS & COMMISSIONS MOTIONS & REPORTS OF COMMITTEES:
 - 5.A A.
MOTIONS
 - 5.B FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FROM THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP)

THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATING THE USE OF THE GRANT FUNDS WITH MAIN SWETLAND, LLC AND SOUTHSIDE XPRESS MARTS, INC. FOR THE PROJECT TO BE NAMED THE "WEST SCRANTON REVITALIZATION PROJECT."

[Resolution-2017 RACP Grant for West Scranton Revitalization Project.pdf](#)

- 5.C FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT FOR PROFESSIONAL SERVICES WITH THOMAS J. MCLANE AND ASSOCIATES, INC. FOR THE PROFESSIONAL DESIGN AND ENGINEERING SERVICES TO PREPARE DOCUMENTS FOR CONSTRUCTION OF A WATER SPRAY PARK AND RELATED RECREATION SITE IMPROVEMENTS AT NOVEMBRINO PARK.

[Resolution-2017 Contract with Thomas J. McLane for Design & Engineering Water Spray Park at Novembrino.pdf](#)

- 5.D FOR INTRODUCTION – A RESOLUTION – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE THE DISCHARGE AND RELEASE OF THE 2004 PURCHASE AGREEMENT AND 2004 LEASE AGREEMENT DISCHARGING THE SALE LEASE BACK BETWEEN THE SCRANTON SEWER AUTHORITY AND THE CITY OF SCRANTON.

[Resolution-2017 Discharge & Release of 2004 Purchase and Lease Agreement with SSA.pdf](#)

- 5.E FOR INTRODUCTION – A RESOLUTION – APPOINTMENT OF JENNIFER DAVIS, 801 NORTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18510, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. DAVIS WILL BE REPLACING RALPH A. SCARTELLI WHOSE TERM EXPIRED OCTOBER 11, 2014. MS. DAVIS' TERM WILL EXPIRE FEBRUARY 9, 2022.

[Resolution-2017 Appt Jennifer Davis HARB.pdf](#)

- 5.F FOR INTRODUCTION – A RESOLUTION – APPOINTMENT OF KATHERINE M. KEARNEY, 828 SOUTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18505, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. KEARNEY WILL BE REPLACING ELLA

RAYBURN WHOSE TERM EXPIRED OCTOBER 11, 2016. MS. KEARNEY'S TERM WILL EXPIRE FEBRUARY 9, 2022.

[Resolution-2017 Appt Katherine Kearney HARB.pdf](#)

- 5.G FOR INTRODUCTION – A RESOLUTION – APPOINTMENT OF PAUL MARCKS, 724 GIBBONS STREET, SCRANTON, PENNSYLVANIA, 18505 AS THE ALTERNATE NO.1 MEMBER OF THE BOARD OF ZONING APPEALS FOR THE CITY OF SCRANTON. MR. MARCKS WILL FILL THE ALTERNATE NO.1 POSITION THAT WAS VACATED BY ROBERT PALMITESSA WHEN HE BECAME A REGULAR MEMBER OF THE BOARD UPON THE RESIGNATION OF STEVEN KOCHIS. MR. MARCKS WILL FILL THE UNEXPIRED TERM OF MR. PALMITESSA WHICH EXPIRES ON JULY 1, 2020.

[Resolution-2017 Appt. Paul Marcks Alternate No. 1 Zoning Board.pdf](#)

6. CONSIDERATION OF ORDINANCES - READING BY TITLE

- 6.A A.
NO BUSINESS AT THIS TIME.

7. FINAL READING OF RESOLUTIONS AND ORDINANCES

- 7.A FOR CONSIDERATION BY THE COMMITTEE ON FINANCE – FOR ADOPTION – FILE OF THE COUNCIL NO. 94, 2017 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF DEBT SERVICES MONEY TO BE USED FOR PAVING ONLY, AS SAID MONEY HAS BEEN REFUNDED TO THE CITY AND IS NO LONGER NEEDED FOR PAYMENT OF THE MARCH INSTALLMENT DUE ON THE 2012 SERIES A AND B BONDS DUE TO THE DEFEASEMENT OF SAID BONDS WITH SEWER PROCEEDS.

[Ordinance-2017 Reallocate Portion of Debt Services Money for Paving Only.pdf](#)

- 7.B FOR CONSIDERATION BY THE COMMITTEE ON RULES – FOR ADOPTION – RESOLUTION NO. 131, 2017 - AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH KNOWLES ASSOCIATES LLC, FOR INSURANCE BROKERAGE SERVICES FOR A PERIOD OF THREE (3) YEARS WITH THE OPTION OF A TWO-YEAR CONTRACT EXTENSION FROM APRIL 1, 2017 TO MARCH 31, 2020, AND A

CONTRACT WITH CNA INSURANCE COMPANY, HARLEYSVILLE INSURANCE COMPANY, QBE SPECIALTY INSURANCE COMPANY, MARKEL AMERICAN INSURANCE COMPANY AND SAFETY NATIONAL INSURANCE COMPANY FOR CITY INSURANCE COVERAGES FOR A ONE (1) YEAR PERIOD FROM APRIL 1, 2017 THROUGH MARCH 31, 2018.

[Resolution-2017 City Insurance Coverage Knowles Associates.pdf](#)

- 7.C FOR CONSIDERATION BY THE COMMITTEE ON PUBLIC SAFETY – FOR ADOPTION – RESOLUTION NO. 132, 2017 – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A LEASE AGREEMENT WITH HORSEPOWER HARLEY DAVIDSON, INC. FOR THE LEASE OF FOUR (4) NEW 2017 POLICE PACKAGE MOTORCYCLES FOR THE CITY OF SCRANTON POLICE DEPARTMENT FOR A PERIOD OF THREE (3) YEARS FROM JUNE 1, 2017 THROUGH MARCH 31, 2020.

[Resolution-2017 Lease of \(4\) 2017 Police Pkg. Motorcycles with Horsepower Harley Davidson.pdf](#)

- 7.D FOR CONSIDERATION BY THE COMMITTEE ON RULES – FOR ADOPTION – RESOLUTION NO. 133, 2017 – AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH PMA MANAGEMENT CORP. FOR CITY OF SCRANTON SELF-INSURED WORKERS’ COMPENSATION AND HEART AND LUNG CLAIMS THIRD PARTY ADMINISTRATION FOR A PERIOD OF THREE (3) YEARS FROM APRIL 1, 2017 THROUGH MARCH 31, 2020.

[Resolution-2017 Workers Comp & Heart & Lung Claims TPA Contract with PMA.pdf](#)

8. ADJOURNMENT

TAX ASSESSOR'S REPORT

Hearing Date: 03/29/17

Time Name

Boro/Twp.

Pin Number

Attorney

Proposed/Curren
t Assessed Value

After Appeal
Value

12:00 PM	CUCURA JOSEPH K	CARBONDALE TWP	06504030031		2651	
12:00 PM	CUCURA JOSEPH K	CARBONDALE TWP	06504030030		2900	
12:00 PM	CUCURA JOSEPH K	CARBONDALE TWP	06504030032		2650	
12:00 PM	CUCURA JOSEPH K	CARBONDALE TWP	07502010015		1500	
12:00 PM	CUCURA JOSEPH K	CARBONDALE TWP	07502010016		2500	
12:15 PM	ARCHER FRANCIS T & AUDREY A	BLAKELY	1031504002102		54500	
12:20 PM	MALLIS THOMAS J	MOOSIC	19302010057		48000	
12:30 PM	GAUGHAN JAMES J & MICHAEL J	TAYLOR	16615040029	GREGORY PASCALE	307500	
12:35 PM	PELLIGRINO GERRY & MELISSA AN	JEFFERSON TWP	1510101001031		73400	
12:45 PM	CARITO ALESSANDRA	GREENFIELD TWP	0330101000501		67000	
12:50 PM	FELDRICH RICHARD	BLAKELY	10313010003		11600	
1:00 PM	RITTER ERIC S & LESLIE M	JEFFERSON TWP	1500201002701		62000	
1:10 PM	BROWN MATTHEW	MADISON TWP	1820301001301		38800	
1:15 PM	BASALYGA DANIEL III & JENNIFER	ARCHBALD	0940403000129		26000	
1:25 PM	REGAL FRANK & MELISSA	CARBONDALE CITY	0451103000101		37000	
1:30 PM	TAYOUN KELLEY	OLD FORGE	1750505002502		43000	
1:40 PM	ST MICHAELS ON THE HILL ASSOC	JESSUP	11506050008	A JAMES HAILSTONE	136000	
2:00 PM	DEFELICE ANNA	CLIFTON TWP	24202010031		1000	
2:05 PM	COSTANZO LOUIS & DIANE	SOUTH ABINGTON TWP	0990202000241		42300	
2:15 PM	SMITH JEROME M & MARIBETH A	ROARING BROOK TWP	1700101000131		8450	
2:20 PM	JOHNSON MARK LEWIS	SOUTH ABINGTON TWP	0990202000236		40000	
2:30 PM	MARUSHOCK EDWARD JR	THROOP	12513010032		25000	
2:35 PM	STOCOSKI MICHAEL R & WILLIAM	CLIFTON TWP	23802010009	JANE CARLONAS	35000	
2:45 PM	DEGIJO HOWARD K	RANSOM TWP	1520301000203		38500	
2:50 PM	REYNOLDS BROOKE E	ROARING BROOK TWP	1700101001150	JAMES TRESSLER	10000	
2:50 PM	REYNOLDS BROOKE E	ROARING BROOK TWP	1700101001151	JAMES TRESSLER	10000	
3:00 PM	DENAPLES DOMINICK	DUNMORE	1580301001104	PATRICK LAVELLE	15500	
3:05 PM	CUCURA PATRICK MARTIN	ROARING BROOK TWP	1700101001126		51750	
3:15 PM	STEFANSKI D & TANFIELD R J IV	CLIFTON TWP	23801010012		18000	

TOTAL RECORDS 29

RECEIVED

MAR 22 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

**SCRANTON LACKAWANNA HEALTH & WELFARE AUTHORITY
MINUTES OF MEETING
JANUARY 19, 2017**

Attended By:

Authority Members:

Vincent O'Bell, Chairman (by phone)
William Lazor, Vice Chairman (by phone)
Jerry Preschutti, 2nd Vice Chairman
Jerry Weinberger, Secretary
John Granahan, Asst. Secretary

David Phaneuf, Treasurer
Victor Giambrone, Asst. Treasurer
Frank Pazzaglia, Member
Gary Cicerini, Member

Staff Members

Brian Koscelansky, Solicitor
Mary Ellen Clarke, Asst. Administrator

RECEIVED

MAR 24 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

The Annual Reorganization Meeting of the Scranton Lackawanna Health and Welfare Authority was called to order at 5:27PM by the 2nd Vice Chairman, Mr. Preschutti. Mr. Preschutti turned the meeting over to Jerry Weinberger, Chairman of the Nominating Committee for the election of officers. Mr. Weinberger presented the slate of officers recommended by the Nominating Committee for the year 2017.

Chairman	Vincent O'Bell
Vice Chairman	William Lazor
2 nd Vice Chairman	Jerry Preschutti
Secretary	Jerry Weinberger
Assistant Secretary	John Granahan
Treasurer	David Phaneuf
Assistant Treasurer	Victor Giambrone

Mr. Weinberger asked if there were any other nominations. There being none, a motion was made by Mr. Preschutti to accept the recommendations of the Nominating Committee for 2017. It was seconded by Mr. Granahan and passed unanimously. Mr. Weinberger congratulated all the officers and turned the gavel over to the 2nd Vice Chairman, Mr. Preschutti.

The 2nd Vice Chairman, Mr. Preschutti, then called the Regular Board Meeting of the Scranton Lackawanna Health and Welfare Authority to order at 5:31PM. The board welcomed Mr. Gary Cicerini to the Authority. Mr. John Martines, another new appointee did not attend tonight's meeting.

Mr. Granahan suggested sending a letter to Phil Spinka and Pat Lavelle thanking them for their many years of service on the Scranton Lackawanna Health and Welfare board.

Mr. Lazor made a motion to pass a Resolution congratulating and thanking Messrs. Spinka and Lavelle for their many years of service. It was seconded by Mr. Preschutti and passed unanimously.

I. APPROVAL OF MINUTES

Mr. Preschutti presented the Minutes of the October 20, 2016, meeting which had previously been mailed to the board members. Mr. Phaneuf moved that the minutes be approved as presented. Mr. Giambrone seconded the motion and it passed unanimously.

II. TREASURER'S REPORT

A. Approval of Expenditures

Mr. Phaneuf presented the Treasurer's Reports for October, November and December 31, 2016, a copy of which is incorporated with the Minutes of this Meeting. As of December 31, 2016, expenditures total \$58,110.40. The balance in the Budget is \$3,989.60. The balance in the operating fund is \$20,488.16. Income received for the month was \$.93. A motion to approve the Treasurer's Report for December 31, 2016 was made by Mr. Pazzaglia. It was seconded by Mr. Giambrone and it passed unanimously.

III. OTHER BUSINESS

A. List of 2017 Meeting Dates

Ms. Clarke distributed a listing of the 2017 Meeting Dates which have been advertised in the Scranton Times/Tribune

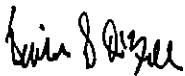
B. Financial Survey

Ms. Clarke reported that there were three replies to the Annual Financial Survey. The Jewish Home and Lackawanna College do not plan on using the Authority in 2017. The Wright Center replied that they may possibly use the Authority in May for approximately \$5million for their move to a Scranton location.

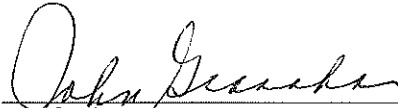
C. Ethic Forms

Ms. Clarke reminded the board that all Ethic Forms are due back as quickly as possible.

With no further business, Mr. Preschutti asked for a motion to adjourn the meeting. Mr. Pazzaglia motioned and Mr. Giambrone seconded. The meeting adjourned at 5:55PM



CHAIRMAN


Asst. SECRETARY

SCRANTON/LACKAWANNA HEALTH AND WELFARE AUTHORITY

LACKAWANNA COUNTY ADMINISTRATION BUILDING • P.O Box 860 • 200 ADAMS AVENUE, • SCRANTON, PA 18501-0860

(570) 342-2353
FAX (570) 342-4088

March 17, 2017

Scranton City Council
Attention: Ms. Lori Reed, City Clerk
340 N. Washington Avenue
Scranton, PA 18503

RE: SCRANTON-LACKAWANNA HEALTH & WELFARE AUTHORITY MINUTES

Dear Ms. Reed:

Pursuant to the Pennsylvania Municipality Authorities Act of 1945, enclosed you will find the Minutes of the Scranton-Lackawanna Health & Welfare Authority's Regular Board Meeting of January 19, 2017.

If you have any questions, or need additional information, please call at any time.

Sincerely,



Mary Ellen Clarke
Asst. Administrator

Enc.

RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FROM THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATING THE USE OF THE GRANT FUNDS WITH MAIN SWETLAND LLC AND SOUTHSIDE XPRESS MARTS, INC. FOR THE PROJECT TO BE NAMED THE "WEST SCRANTON REVITALIZATION PROJECT".

WHEREAS, a blighting influence exists due to the deteriorating condition of the 1100 and 1200 blocks of South Main Avenue, Scranton, Pennsylvania, and

WHEREAS, Main Swetland LLC and Southside Xpress Marts, Inc. have developed a plan for the elimination of blight in this section of West Scranton and the project shall be known as the "West Scranton Revitalization Project" (the Project"); and

WHEREAS, the City of Scranton, in coordination with Main Swetland LLC, 170 S. Highland Drive, Pittston, Pennsylvania 18640 and Southside Xpress Marts, Inc., or their designees, is desirous of obtaining funds from the Commonwealth of Pennsylvania's Office of the Budget, Redevelopment Assistance Capital Program (RACP) in the amount of \$2,500,000.00 for prevention and elimination of blight in this area; and

WHEREAS, Main Swetland LLC proposes to design and construct a new two-story 16,000 square foot building and make other improvements on the westerly side of the 1100 block of South Main Avenue in Scranton, Lackawanna County, Pennsylvania through the Redevelopment Assistance Capital Program (RACP); and

WHEREAS, Southside Xpress Marts, Inc. plans to demolish its corporate headquarters on the easterly side of the 1200 block of South Main Avenue and build additional commercial space along with other improvements through the Redevelopment Assistance Capital Program (RACP); and

WHEREAS, the City will partner with Main Swetland LLC and Southside Xpress Marts, Inc., or their designees, as the applicant for the grant funds from Commonwealth of Pennsylvania's Office of the Budget and disburse the funds to the City to fund the Project; and

WHEREAS, the City will reimburse the Commonwealth of Pennsylvania's Office of the Budget for any expenditures found by the Commonwealth of Pennsylvania's Office of the Budget to be ineligible; and

WHEREAS, the details of the Project costs and breakdown are detailed in the grant application, a copy of which is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are hereby authorized to apply for, execute and submit a grant application to the Pennsylvania Office of the Budget for the Redevelopment Assistance Capital Program (RACP); substantially in the form attached hereto, and if successful, to accept the grant funds to be used for the Project as detailed in the grant application. This approval anticipates the execution of any and all related documentation which may be necessary to complete the grant application.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



Office of Economic and
Community Development

March 20, 2017

Atty. Jessica Boyles
City Solicitor
340 North Washington Avenue
Scranton, Pennsylvania 18503

Re: West Scranton Revitalization Project
Redevelopment Assistant Capital Program (RACP)
2,500,000.00

Dear Atty. Boyles:

Attached please find the Resolution for applying, accepting and disbursing funding from RACP in the amount of \$2,500,000.00. This Resolution is needed in order for the PA Office of the Budget to move forward with the application.

If you have any questions regarding this project, please contact me or Linda Aebli at 348-4216.

Sincerely,

A handwritten signature in black ink that reads "Linda B. Aebli".

Linda B. Aebli
Executive Director

lba/

Business Plan and Application

for a Redevelopment Assistance Capital Program (RACP) Grant

from the Commonwealth of Pennsylvania

through the Governor's Office of the Budget

Project Name:

West Scranton Revitalization Project

Candidate:

Main Swetland LLC

Municipality, County of Project:

City of Scranton, Lackawanna County

March 2017

West Scranton Revitalization Project

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TAB 1.

PROJECT ELIGIBILITY REQUIREMENTS

AND HOUSING STATEMENT

West Scranton Revitalization Project

City of Scranton, Lackawanna County

**TAB 1. PROJECT ELIGIBILITY REQUIREMENTS
AND HOUSING STATEMENT**

Capital Budget Act itemizations requested to be used for this project:

Item No. from Excel File	County	Municipality	Act No. & Authorization (Effective) Date	Act Description	Act Amount	Available Amount	Requested Amount
3920	Lackawanna	City of Scranton	2008-041	Construction, infrastructure, redevelopment, and other costs related to West Scranton Revitalization Project	\$3,000,000	\$3,000,000	\$2,500,000
Totals if using multiple itemizations →					\$3,000,000	\$3,000,000	\$2,500,000

A Project Labor Agreement (PLA) **will not be** utilized for the construction related jobs in this project.

**TAB 1. PROJECT ELIGIBILITY REQUIREMENTS
AND HOUSING STATEMENT**

HOUSING STATEMENT

Project Name	County	Act No. & Authorization
West Scranton Revitalization Project	Lackawanna	2008-041

This RACP project **does not** contain a housing component.

TAB 2.
PROJECT DESCRIPTION

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 2. PROJECT DESCRIPTION

Project Name: West Scranton Revitalization Project

Address of Project Site: 1132/1142/1146/1150 South Main Avenue, Scranton, PA 18504
1227 South Main Avenue, Scranton, PA 18504

Municipality of Project Site: City of Scranton

County of Project Site: Lackawanna County

State Representative of Project Site

Name: Representative Marty Flynn

Address: 409 North Main Avenue, Scranton, PA 18504

District #: 113th

State Senator of Project Site

Name: Senator John Blake

Address: 409 Lackawanna Avenue, Suite 210, Scranton, PA 18503

District #: 22nd

Specific Project Description

See Next Page

TAB 2. PROJECT DESCRIPTION

OVERALL

The West Scranton Revitalization Project is the design and construction of a new two-story 16,000 square foot building on the 1100 block of South Main Avenue in Scranton, Lackawanna County, featuring a mixed-use concept, and, across the street from this new building, the renovation of a neighborhood market/café/gathering place plus the construction of an additional 4,000 square feet of additional space to be marketed to other neighborhood retail demands. Corporate offices for an existing gas wholesaler will also be relocated and expanded. The site is located within the shadow of downtown Scranton, but far enough outside to avoid the current landlocked downtown. The unique quality of the project is that the proposed site involves the revitalization of three currently blighted properties. The West Scranton Revitalization Project will not only create new construction and permanent job opportunities, but remove a public eyesore and blighted area, immediately rescuing the neighborhood from further despair.

The first floor of the new facility will be occupied by a family owned and operated regional therapy and rehabilitation clinic in northeastern Pennsylvania since 2003. The physical therapy offices will complement the existing businesses located in the existing medical corridor being established in Scranton.

The project will be located near Mount Pleasant Corporate Center whose tenants include Geisinger Health System, Physicians Health Alliance, Lab Corp, Valley Oral & Maxillofacial Surgery. Geisinger is a healthcare industry leader in northeast PA and is known as an integrated health services organization widely recognized for its innovative care models including advanced home and ProvenCare ("warranty") program. The system serves more than 2.6 million residents throughout 44 counties in central and northeastern Pennsylvania. This development has spurred the development of other medical businesses to locate on/near Mount Pleasant Corporate Center (MPCC). The proposed site of the West Scranton Revitalization Project is an ideal expansion of the overall medical corridor in West Scranton, as it allows smaller medical businesses to cluster-complimenting the newly constructed Rite Aid Pharmacy, pediatricians and audiologist offices located just across the street.

The second floor of the new facility will be marketed to the bioscience industry – on the heels of the Northeastern Pennsylvania Regional Bioscience Initiative. In 2012, the Northeastern Pennsylvania Regional Bioscience Initiative (NEPA RBI) was developed by area healthcare, education, government, private sector, and economic development leaders, focused on

increasing life science careers and business opportunities within our region. The eight – county initiative was funded in December 2012, through the Discover in PA/Developed in PA program and the Ben Franklin Technology Development Authority.

NEP RBI pulls together over 50 regional partners, including higher educational institutions, chambers of commerce, healthcare operations, corporations, and government agencies, in an effort to leverage the region's strengths – including Sanofi-Pasteur, the Wilkes University pharmaceutical program, and the recently developed Commonwealth Medical College in Scranton. The NEPA RBI program is committed to growing the regional economy through the bioscience industry, in the following three specific areas: Direct Patient Care and Healthcare Administration; Researching and Testing with a focus on Medical Equipment; and Services and Logistics with a focus on Pharmaceuticals.

The proposed West Scranton Revitalization Project seeks to tap right into the NEPA RBI program, by devoting a portion of the development project to securing a bioscience tenant. The West Scranton Revitalization Project offers the industry cluster the perfect opportunity, with a site located near an existing medical corridor – just minutes away from the Mount Pleasant Corporate Center (MPCC), local physician's offices, and the recently-constructed Rite Aid. The West Scranton Revitalization Project sees the value and importance of the Commonwealth's investment into the NEPA RBI program. With our downtown districts (such as Wilkes-Barre and Scranton) landlocked, the West Scranton Revitalization Project offers a location near an existing medical cluster, and a location situated near three of the largest NEPA RBI supporters – the Scranton Chamber of Commerce, University of Scranton, and the Commonwealth Medical College. The second floor of the proposed project will be marketed directly towards the bioscience industry, utilizing the financial incentives, business attraction strategies, and industry network designed and funded by the Commonwealth, and put in motion through the NEPA Regional Bioscience Initiative.

In addition to the new facility located on the 1100 block of South Main Avenue, the West Scranton Revitalization Project will include, across the street from this new building, the renovation of a neighborhood market/café/gathering place plus the construction of an additional 4,000 square feet of additional space to be marketed to other neighborhood retail demands. Corporate offices for an existing gas wholesaler will also be relocated and expanded.

The West Scranton Revitalization Project will cost \$5,539,000. The cost of acquiring the project properties is \$822,500, while construction makes up the majority of the budget at \$2,687,500 (including an 8% contingency). The RACP amount awarded is \$2,500,000.

The following milestones outline the implementation of the West Scranton Revitalization Project:

- Property Acquisition Closing – May 31, 2017
- Bid documents released – June 15, 2017
- Obtain all permits and award contracts - July 15, 2017
- Demolish blighted properties – July 31, 2017
- Construction begins – August 1, 2017
- Construction complete and property occupied – June 1, 2018

PROPOSED RACP SCOPE

The proposed RACP scope is the same as the Overall project description.

TAB 3.
ECONOMIC IMPACT

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 3. ECONOMIC IMPACT

Data:		Estimated within 1-year after project completion
A.	NEW Jobs:	
1.	NEW permanent direct jobs from positions being CREATED, or vacant ones being filled.	
a.	Full-time jobs	25
b.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered a Full Time Equivalent (FTE). OB will calculate FTEs.	0
2.	"NEW" permanent direct jobs TRANSFERRED TO PA FROM OUT OF STATE. "NEW" for this entry's purpose <u>only</u> includes existing, filled positions that will be transferred into PA from out of state.	
a.	Full-time jobs	0
b.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered an FTE. OB will calculate FTEs.	0
B.	RETAINED permanent direct (non-construction) jobs. "RETAINED" for this purpose includes existing jobs, currently located elsewhere in PA or existing jobs retained at a current employment site that will be lost without the progression of this project.	
1.	Full-time jobs	5
2.	Part-time jobs - For scoring purposes, 2.5 part-time jobs are considered an FTE. OB will calculate FTEs.	0
C.	Number of permanent INDIRECT jobs created by support/supplier industries and secondary industries attracted by the project. Must supply multiplier basis used by the project.	27
D.	Number of non-permanent direct (CONSTRUCTION) jobs created by the project.	50
E.	MEDIAN ANNUAL WAGE for all NEW permanent direct full-time jobs.	\$ 60,680
F.	Provide the PER CAPITA INCOME for the project's county per the U. S. Census Bureau at the following link: http://quickfacts.census.gov/qfd/states/42000.html	\$ 25,608
G.	Total STATE TAX GENERATION (payroll, sales, corporate, etc.).	Prior to project \$ 13,000 \$ 235,132

METHODOLOGY—JOB CREATION & RETENTION

- The 25 permanent direct jobs were determined by the following methodology:
 - The physical therapy business will hire an immediate 5 new FT jobs upon opening
 - The bio-tech business projects jobs based upon the national commercial construction average of 1 FT job for every 250 square feet—resulting in the creation/estimation of 20 FT jobs.
- The 5 retained jobs will be jobs relocated from a current facility operated by the physical therapist.
- The 50 new construction jobs were an estimate provide by the A&E firm working on the project, based upon the project scope and timeline provided in the business plan.

METHODOLOGY—STATE TAX GENERATION

- The "Prior to Project" state tax generation estimates provided were based upon property tax of existing properties.

Tab 3-A1: ECONOMIC IMPACT REPORT

IMPLAN Model - West Scranton Project

Model Information

Model Year	2012
GRP	\$8,967,325,608
Total Personal Income	\$8,318,675,000
Total Employment	125,433

Number of Industries	241
Land Area (Sq. Miles)	459
Area Count	1

Population	214,477
Total Households	94,298
Average Household Income	\$88,217

Trade Flows Method	Trade Flows Model
Model Status	Multipliers

Economic Indicators	
Shannon-Weaver Index	.71024

Value Added

Employee Compensation	\$4,735,444,905
Proprietor Income	\$574,150,159
Other Property Type Income	\$3,057,348,470
Tax on Production and Import	\$600,382,074

Total Value Added	\$8,967,325,608

Final Demand

Households	8,280,869,131
State/Local Government	\$1,308,997,383
Federal Government	\$237,062,540
Capital	\$1,016,360,686
Exports	\$6,147,467,832
Imports	-\$7,603,577,993
Institutional Sales	-\$419,853,920

Total Final Demand:	\$8,967,325,660

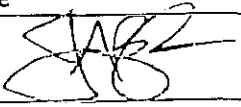
Top Ten Industries

Rank	Description	Employment	Labor Income	Output
413	Food services and drinking places	8,287	\$162,463,500	\$437,777,200
437 *	* Employment and payroll only (state & local govt, non-education)	5,591	\$266,458,000	\$313,942,000
392	Private junior colleges, colleges, universities, and professional schools	5,573	\$188,505,600	\$397,575,900
398	Nursing and residential care facilities	4,860	\$179,915,800	\$291,492,200
394	Offices of physicians, dentists, and other health practitioners	4,315	\$378,143,200	\$561,982,800
397	Private hospitals	4,112	\$249,203,300	\$517,207,400
319	Wholesale trade businesses	4,051	\$227,676,300	\$756,358,200
438 *	* Employment and payroll only (state & local govt, education)	4,005	\$219,384,400	\$256,949,600
360	Real estate establishments	3,737	\$35,330,180	\$580,067,400
324	Retail Stores - Food and beverage	3,080	\$78,828,440	\$150,127,700

Areas In the Model

PA Lackawanna County

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Signature	Title	Date
	Director of Government Services	02/02/2014
Name (print or type)	Entity	
Joseph A. Boylan	Ashburn Advisors, LLC	

Tab 3-A1: ECONOMIC IMPACT REPORT

Sections A through E Jobs and Wage Data—Without Construction: The IMPLAN estimates provided below represent the impact summary utilizing only the 30 direct jobs of the project, and do not include the one-time construction job impacts.

IMPLAN Model - West Scranton Project.impdb				
Impact Summary - Without Construction				
ImpactType	Employment	Labor Income	Total Value Added	Output
Direct Effect	30.0	1,820,389.8	2,103,548.5	4,173,402.0
Indirect Effect	12.9	502,839.0	793,634.8	1,319,893.2
Induced Effect	14.0	543,449.5	1,013,999.0	1,576,425.5
Total Effect	56.9	2,866,678.2	3,911,182.4	7,069,720.7
Copyright 2014 Minnesota IMPLAN Group, Inc.				

IMPLAN Model - West Scranton Project.impdb					
Top Ten for Employment - Without Construction					
Sector	Description	Total Employment	Total Labor Income	Total Value Added	Total Output
376	Scientific research and development services	20.0	909,291.9	1,173,371.6	2,796,557.0
394	Offices of physicians, dentists, and other health practitioners	10.8	987,840.5	1,009,100.6	1,496,150.0
413	Food services and drinking places	2.7	54,689.6	77,943.5	148,151.1
382	Employment services	2.2	50,845.0	58,905.9	73,603.4
388	Services to buildings and dwellings	1.5	41,293.7	52,422.2	90,855.4
374	Management, scientific, and technical consulting services	1.5	65,193.8	69,924.6	127,561.5
39	Maintenance and repair construction of nonresidential structures	1.3	68,640.2	63,860.0	167,660.1
360	Real estate establishments	1.1	11,001.6	148,112.5	183,094.9
397	Private hospitals	1.0	60,504.2	67,557.9	128,359.0
354	Monetary authorities and depository credit intermediation activities	0.8	46,313.4	166,536.9	242,308.9
Copyright 2014 Minnesota IMPLAN Group, Inc.					

IMPLAN Model - West Scranton Project.impdb				Copyright 2014 Minnesota IMPLAN Group, Inc.						
Scenario										
Scenario										
Name	Scenario Level									
Scenario 1										
Activity 1										
Activity										
Type	ActivityName									
Industry										
Change	Physical Therapy Jobs	1	2014							
Events										
Sector	Description	Basis	Event Value	Employ.	Event Year	Deflator	GDP Deflator	Employee Comp.	Proprietor Income	
394	Offices of physicians, dentists, and other health practitioners	0	1382899.9	10	2014	1.0618858	1.0419732	802846.44	110220.17	0
376	Scientific research and development services	0	2790502	20	2014	1.0527306	1.0419732	664366.32	242856.83	0

Tab 3-A1: ECONOMIC IMPACT REPORT

Section G State Tax Generation Data—Without Construction: The IMPLAN estimates provided below represent the impact summary utilizing only the 30 direct jobs of the project, and do not include the one-time construction job impacts.

IMPLAN Model - West Scranton Project.impdb							
State and Local Tax Impact by Total - Without Construction							
Institution Receipts	Transfer Type	Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
12001	15007	Dividends					\$325.00
12001	15014	Social Ins Tax- Employee Contribution	\$1,237.00				
12001	15015	Social Ins Tax- Employer Contribution	\$2,432.00				
12001	15020	Tax on Production and Imports: Sales Tax			\$70,418.00		
12001	15021	Tax on Production and Imports: Property Tax			\$62,362.00		
12001	15022	Tax on Production and Imports: Motor Vehicle Lic			\$1,279.00		
12001	15023	Tax on Production and Imports: Severance Tax					
12001	15024	Tax on Production and Imports: Other Taxes			\$11,397.00		
12001	15025	Tax on Production and Imports: S/L NonTaxes			\$638.00		
12001	15026	Corporate Profits Tax					\$11,060.00
12001	15027	Personal Tax: Income Tax				\$59,523.00	
12001	15029	Personal Tax: NonTaxes (Fines- Fees				\$9,644.00	
12001	15030	Personal Tax: Motor Vehicle License				\$2,395.00	
12001	15031	Personal Tax: Property Taxes				\$1,094.00	
12001	15032	Personal Tax: Other Tax (Fish/Hunt)				\$1,329.00	
12001	99999	Total State and Local Tax	\$3,869.00		\$146,094.00	\$73,985.00	\$11,384.00
Copyright 2014 Minnesota IMPLAN Group, Inc.							

IMPLAN Model - West Scranton Project.impdb				Copyright 2014 Minnesota IMPLAN Group, Inc.							
Scenario											
Scenario											
Name	Scenario Level										
Scenario 1	1										
Activity 1											
Activity Type	ActivityName	Activity Level	Activity Year								
Industry Change	Physical Therapy Jobs	1	2014								
Events											
Sector	Description	Base	Event Value	Employ.	Event Year	Deflator	GDP Deflator	Employee Comp.	Proprietor Income		
394	Offices of physicians, dentists, and other health practitioners	0	1382699.8	10	2014	1.0618858	1.0419732	802846.44	110220.17	0	
376	Scientific research and development services	0	2790502	20	2014	1.0527306	1.0419732	864366.32	242956.83	0	

Tab 3-A1: ECONOMIC IMPACT REPORT

Sections A through E Jobs and Wage Data—With Construction: The IMPLAN estimates provided below represent the impact summary utilizing both the 30 permanent/direct jobs and the 50 one-time construction jobs.

IMPLAN Model - West Scranton Project.impdb				
Impact Summary - With Construction				
ImpactType	Employment	Labor Income	Total Value Added	Output
Direct Effect	80.0	4,384,946.5	4,436,925.1	11,030,457.7
Indirect Effect	27.5	1,206,498.3	1,883,176.9	3,170,664.1
Induced Effect	33.8	1,306,570.3	2,437,889.1	3,790,082.1
Total Effect	141.3	6,898,015.2	8,757,991.1	17,991,203.9
Copyright 2014 Minnesota IMPLAN Group, Inc.				

IMPLAN Model - West Scranton Project.impdb					
Top Ten for Employment - With Construction					
Sector	Description	Total Employment	Total Labor Income	Total Total Value Added	Total Output
39	Maintenance and repair construction of nonresidential structures	51.6	2,661,274.0	2,475,940.3	6,500,410.5
376	Scientific research and development services	20.1	911,154.7	1,175,775.4	2,802,286.1
394	Offices of physicians, dentists, and other health practitioners	12.0	1,093,200.1	1,116,727.7	1,655,724.0
413	Food services and drinking places	5.8	118,085.6	168,295.1	319,887.0
382	Employment services	3.3	78,033.1	90,404.2	112,960.9
369	Architectural, engineering, and related services	3.1	196,756.0	199,528.8	341,449.1
397	Private hospitals	2.3	145,736.0	162,726.2	309,177.3
324	Retail Stores - Food and beverage	2.3	61,283.5	77,161.3	115,608.2
360	Real estate establishments	2.2	21,822.6	293,794.5	363,185.3
388	Services to buildings and dwellings	2.1	58,146.1	73,816.3	127,934.5
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IMPLAN Model - West Scranton Project.impdb					Copyright 2014 Minnesota IMPLAN Group, Inc.				
Scenario									
Scenario									
Scenario Name	Scenario Level								
Scenario 1	1								
Activity 1									
Activity Type	ActivityName								
Activity									
Activity Change	Job Creation Model								
		Activity Level	Activity Year						
		1	2014						
Events									
Sector	Description	Base	Event Value	Employ.	Event Year	Deflator	GDP Deflator	Employee Comp.	Proprietor Income
394	Offices of physicians, dentists, and other health practitioners	0	1382899.9	10	2014	1.0618858	1.0419732	802848.44	110220.17
376	Scientific research and development services	0	2790502	20	2014	1.0527308	1.0419732	864368.32	242858.83
34	Construction of new nonresidential commercial and health care structures	0	6857056	50	2014	1.0260381	1.0419732	2092227	472328.81

Tab 3-A1: ECONOMIC IMPACT REPORT

Section G State Tax Generation Data—With Construction: The IMPLAN estimates provided below represent the impact summary utilizing both the 30 permanent/direct jobs and the 50 one-time construction jobs.

IMPLAN Model - West Scranton Project.impdb							
State and Local Tax Impact by Total					Copyright 2014 Minnesota IMPLAN Group, Inc.		
Institution Receipts	Transfer Type	Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
12001	15007	Dividends					\$531.00
12001	15014	Social Ins Tax- Employee Contribution	\$2,990.00				
12001	15015	Social Ins Tax- Employer Contribution	\$5,879.00				
12001	15020	Tax on Production and Imports: Sales Tax			\$180,370.00		
12001	15021	Tax on Production and Imports: Property Tax			\$159,736.00		
12001	15022	Tax on Production and Imports: Motor Vehicle Lic			\$3,276.00		
12001	15023	Tax on Production and Imports: Severance Tax					
12001	15024	Tax on Production and Imports: Other Taxes			\$29,193.00		
12001	15025	Tax on Production and Imports: S/L NonTaxes			\$1,634.00		
12001	15026	Corporate Profits Tax					\$18,086.00
12001	15027	Personal Tax: Income Tax				\$143,180.00	
12001	15029	Personal Tax: NonTaxes (Fines- Fees				\$23,199.00	
12001	15030	Personal Tax: Motor Vehicle License				\$5,761.00	
12001	15031	Personal Tax: Property Taxes				\$2,632.00	
12001	15032	Personal Tax: Other Tax (Fish/Hunt)				\$3,196.00	
12001	99999	Total State and Local Tax	\$8,889.00		\$374,210.00	\$177,969.00	\$18,817.00

IMPLAN Model - West Scranton ProjectImpdb					Copyright 2014 Minnesota IMPLAN Group, Inc.						
Scenario											
Scenario Name											
Scenario 1											
Activity 1											
Activity Type	ActivityName	Activity Level	Activity Year								
Industry Change	Job Creation Model	1	2014								
Events											
Sector	Description	Basis	Event Value	Employ.	Event Year	Deflator	GDP Deflator	Employee Comp.	Proprietor Income		
394	Offices of physicians, dentists, and other health practitioners	0	1382899.8	10	2014	1.0616858	1.0419732	602846.44	110220.17	0	
378	Scientific research and development services	0	2790502	20	2014	1.0627306	1.0419732	684366.32	242956.83	0	
34	Construction of new nonresidential commercial and health care structures	0	6857056	50	2014	1.0260391	1.0419732	2092227	472329.81	0	

TAB 4.
COMMUNITY IMPACT

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 4. COMMUNITY IMPACT

A. Reclamation or the redevelopment of a blighted area or a Brownfield site:

The West Scranton Revitalization Project would occur on portions of the 1100 and 1200 blocks of South Main Avenue in the West Side of the City of Scranton. The project site is the current location of three blighted properties. The proposed project would inject \$5.5 mixed-use development onto the site, thus clearing the blight and replacing with new construction.

B. Economic health of the project site's county:

1. *County unemployment higher than state average:*

Lackawanna County continues to hold a higher unemployment rate than the Commonwealth. According to the Pennsylvania Department of Labor and Industry, for December 2016, Lackawanna County maintained an unemployment rate of 5.6 percent – higher than the state average of 5.7 percent during the same time. Lackawanna County had the 40th highest unemployment rate of all 67 PA counties during December 2016.

2. *Declining population in county and below average per capita income:*

According to the U.S. Census Bureau, a comparison between the population of Lackawanna County as of April 1, 2010 and as of July 1, 2015 indicates a population decrease of 2,519 persons or 1.2% of the population during this period. Relative to Lackawanna County per capita income in comparison to statewide and U.S. per capita income averages, in terms of per capita income in the past 12 months (in 2015 dollars), 2011-2015, Lackawanna County per capita income was \$25,608, less than the statewide per capita income of \$29,291 and United State per capita income of \$28,930 during the survey period.

3. *Project location in a KOZ, KOEZ, KIZ, KSDZ, EZ or KOIZ-designated area:*

Not Applicable.

C. Quality of Life

1. *Creates or improves Civic, Cultural or Recreation Facilities:*

Not Applicable.

TAB 4. COMMUNITY IMPACT

2. Improves Commercial/Retail/Mixed-use Buildings in a downtown or core area:

The West Scranton Revitalization Project improves the proposed location through the construction of a new, mixed-use building. The Project involves the design and construction of a new two-story 16,000 square foot building on the 1100 block of South Main Avenue in Scranton, Lackawanna County, featuring a mixed-use concept, and, across the street from this new building, the renovation of a neighborhood market/café/gathering place plus the construction of an additional 4,000 square feet of additional space to be marketed to other neighborhood retail demands. Corporate offices for an existing gas wholesaler will also be relocated and expanded. The site is located within the shadow of downtown Scranton, but far enough outside to avoid the current landlocked downtown. The unique quality of the project is that the proposed site involves the revitalization of three currently blighted properties. The West Scranton Revitalization Project will not only create new construction and permanent job opportunities, but remove a public eyesore and blighted area, immediately rescuing the neighborhood from further despair.

3. Addresses immediate/urgent issues to improve the quality of life:

Not Applicable.

4. Addresses issues that could have a negative impact on the quality of life:

Not Applicable.

D. Regional Impact

1. Consistent with an existing revitalization plan:

Not Applicable.

2. Joint effort involving multiple municipalities:

Not Applicable.

3. Public engaged in the development of the project:

Not Applicable.

4. Promotes tourism:

Not Applicable.

Labor Force, Employment and Unemployment for Pennsylvania in December, 2016

Labor Force Area Distribution Table

The table below shows the County(s) in Pennsylvania with the highest monthly seasonally adjusted unemployment rate in December, 2016.

Rank	Area	Unemployment Rate	Preliminary
1	Cameron County	8.4%	Yes
2	Fayette County	8.1%	Yes
3	Potter County	8.0%	Yes
4	Forest County	7.7%	Yes
5	Armstrong County	7.3%	Yes
6	Venango County	7.3%	Yes
7	Clearfield County	7.2%	Yes
8	Huntingdon County	7.2%	Yes
9	Somerset County	7.2%	Yes
10	Lawrence County	7.1%	Yes
11	McKean County	7.0%	Yes
12	Tioga County	7.0%	Yes
13	Clinton County	6.9%	Yes
14	Indiana County	6.9%	Yes
15	Greene County	6.8%	Yes
16	Jefferson County	6.7%	Yes
17	Philadelphia County	6.7%	Yes
18	Cambria County	6.6%	Yes
19	Erie County	6.6%	Yes
20	Luzerne County	6.5%	Yes
21	Pike County	6.5%	Yes
22	Fulton County	6.3%	Yes
23	Monroe County	6.3%	Yes
24	Northumberland County	6.3%	Yes
25	Beaver County	6.2%	Yes
26	Clarion County	6.2%	Yes
27	Lycoming County	6.2%	Yes
28	Schuylkill County	6.2%	Yes
29	Sullivan County	6.2%	Yes
30	Carbon County	6.1%	Yes

31	Mercer County	6.1%	Yes
32	Washington County	6.1%	Yes
33	Crawford County	6.0%	Yes
34	Bradford County	5.9%	Yes
35	Elk County	5.9%	Yes
36	Wayne County	5.9%	Yes
37	Westmoreland County	5.8%	Yes
38	Wyoming County	5.8%	Yes
39	Columbia County	5.7%	Yes
40	Lackawanna County	5.7%	Yes
41	Mifflin County	5.7%	Yes
42	Bedford County	5.6%	Yes
43	Warren County	5.6%	Yes
44	Juniata County	5.5%	Yes
45	Lehigh County	5.5%	Yes
46	Susquehanna County	5.5%	Yes
47	Northampton County	5.4%	Yes
48	Allegheny County	5.3%	Yes
49	Butler County	5.2%	Yes
50	Blair County	5.1%	Yes
51	Snyder County	5.1%	Yes
52	Berks County	4.9%	Yes
53	Delaware County	4.9%	Yes
54	Franklin County	4.9%	Yes
55	Union County	4.9%	Yes
56	Dauphin County	4.8%	Yes
57	Bucks County	4.7%	Yes
58	Perry County	4.6%	Yes
59	York County	4.6%	Yes
60	Lebanon County	4.3%	Yes
61	Centre County	4.2%	Yes
62	Cumberland County	4.2%	Yes
63	Montgomery County	4.2%	Yes
64	Montour County	4.2%	Yes
65	Adams County	4.1%	Yes
66	Lancaster County	4.1%	Yes
67	Chester County	4.0%	Yes

Source: PA Dept of Labor and Industry

Labor Force, Employment and Unemployment for Pennsylvania in December, 2016

Labor Force Table

The table below shows the monthly seasonally adjusted Labor Force, Employment and Unemployment data for Pennsylvania in December, 2016.

Labor Force	Employed	Unemployed	Unemployment Rate	Preliminary
6,510,000	6,144,000	366,000	5.6%	Yes

Source: PA Dept of Labor and Industry
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QuickFacts

Lackawanna County, Pennsylvania

QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

ALL TOPICS	☒ LACKAWANNA COUNTY, PENNSYLVANIA	PENNSYLVANIA	UNITED STATES
People			
Population			
Population estimates, July 1, 2016, (V2016)	NA	12,784,227	323,127,513
Population estimates, July 1, 2015, (V2015)	211,917	12,802,503	321,418,820
Population estimates base, April 1, 2010, (V2010)	NA	12,702,857	308,758,105
Population estimates base, April 1, 2010, (V2015)	214,436	12,702,887	308,758,105
Population, percent change - April 1, 2010 (estimates base) to July 1, 2016, (V2016)	NA	0.8%	4.7%
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)	-1.2%	0.8%	4.1%
Population, Census, April 1, 2010	214,437	12,702,379	308,745,538
Businesses			
Geography			

1. Includes data not distributed by county.

This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2015) refers to the final year of the series (2010 thru 2015).
Different vintage years of estimates are not comparable.

(a) Includes persons reporting only one race
(b) Hispanics may be of any race, so also are included in applicable race categories
(c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

D Suppressed to avoid disclosure of confidential information
F Fewer than 25 firms
FN Footnote on this item in place of data
NA Not available
S Suppressed; does not meet publication standards
X Not applicable
Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

QuickFacts

Lackawanna County, Pennsylvania

QuickFacts provides statistics for all states and counties, and for cities and towns with a population of 5,000 or more.

ALL TOPICS	 LACKAWANNA COUNTY, PENNSYLVANIA	PENNSYLVANIA	UNITED STATES
People			
Income and Poverty			
Median household income (in 2015 dollars), 2011-2015	\$46,271	\$53,599	\$53,889
Per capita income in past 12 months (in 2015 dollars), 2011-2015	\$25,608	\$29,291	\$28,930
Persons in poverty, percent	 15.3%	 13.2%	 13.5%
Businesses			
Geography			

1. Includes data not distributed by county.

 This geographic level of poverty and health estimates are not comparable to other geographic levels of these estimates

Some estimates presented here come from sample data, and thus have sampling errors that may render some apparent differences between geographies statistically indistinguishable. Click the Quick Info  icon to the left of each row in TABLE view to learn about sampling error.

The vintage year (e.g., V2015) refers to the final year of the series (2010 thru 2015). Different vintage years of estimates are not comparable.

(a) Includes persons reporting only one race

(b) Hispanics may be of any race, so also are included in applicable race categories

(c) Economic Census - Puerto Rico data are not comparable to U.S. Economic Census data

D Suppressed to avoid disclosure of confidential information

F Fewer than 25 firms

FN Footnote on this item in place of data

NA Not available

S Suppressed; does not meet publication standards

X Not applicable

Z Value greater than zero but less than half unit of measure shown

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.

TAB 5.

STRATEGIC CLUSTERS FOR DEVELOPMENT

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 5. STRATEGIC CLUSTERS FOR DEVELOPMENT

A. Biotechnology/Pharmaceutical/Life Sciences

Northeastern Pennsylvania has become a landing spot for several companies during the worldwide growth of the bioscience industry. In 2012, the Northeastern Pennsylvania Regional Bioscience Initiative (NEPA RBI) was developed by area healthcare, education, government, private sector, and economic development leaders, focused on increasing life science careers and business opportunities within our region. The 8-county initiative was funded in December 2012, through the Discover in PA/Developed in PA program and the Ben Franklin Technology Development Authority. NEPA RBI pulls together over 50 regional partners, including higher educational institutions, chambers of commerce, healthcare operations, corporations, and government agencies, in an effort to leverage the region's strengths – including Sanofi-Pasteur, the Wilkes University pharmaceutical program, and the Commonwealth Medical College in Scranton. THE NEPA-RBI program is committed to growing the regional economy through the bioscience industry in the following three specific areas: Direct Patient Care and Healthcare Administration; Researching & Testing with a focus Medical Equipment; and Services & Logistics with a focus on Pharmaceuticals.

The proposed West Scranton Revitalization Project seeks to tap right into the NEPA RBI program, by devoting a significant portion of the development project space to securing a bio-science tenant. The West Scranton Revitalization Project offers the industry cluster the perfect opportunity, with a site located near an existing medical corridor – just minutes away from the Commonwealth medical College and the University of Scranton.

The West Scranton Revitalization Project sees the value and importance of the Commonwealth's investment into the NEPA RBI program. With our larger downtown areas (such as the cities of Scranton and Wilkes-Barre) landlocked, the West Scranton Revitalization Project offers a location near an existing medical cluster, and a location situated near three of the largest NEPA RBI supporters – the Scranton Chamber of Commerce, University of Scranton, and the Commonwealth Medical College. The area of the Project marketed directly towards the bio-science industry will utilize the financial incentives, business attraction strategies and industry network designed and funded by the Commonwealth, and put in motion through the NEPA Regional Bioscience Initiative. The Project will also involve the installation of a family pharmacy within the project site, operated by an experienced regional entity.

TAB 5. STRATEGIC CLUSTERS FOR DEVELOPMENT

B. High Tech & Advanced Manufacturing and Materials:

Not Applicable.

C. Energy Extraction and Mining

Not Applicable.

D. Business & Financial Services

Not Applicable.

E. Healthcare/Medical Research and/or Educational:

The main tenant of the West Scranton Revitalization Project will be a regional physical therapy and rehabilitation office. The local and family-owned rehabilitation offices have been operational since 2003, with several locations throughout Northeastern Pennsylvania. The business is a direct access provider for physical therapy and can accept patients without direct referral from a doctor. They provide individualized one-on-one attention to each and every patient based on their needs and condition, with highly-trained and seasoned staff. This facility, combined with the new family pharmacy, will add yet another dimension to the medical corridor on Main Avenue in West Scranton.

F. Agriculture

Not Applicable.

TAB 6.

**ORGANIZATIONAL, MANAGEMENT & STRATEGIC
BUSINESS PLAN**

West Scranton Revitalization Project

City of Scranton, Lackawanna County

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

A. Project Information

1. Tax Status and Organizational Structure:

Main Swetland LLC and Southside Xpress Marts, Inc. will own discrete parcels of land which make up the project site, and each entity will hold their own construction contracts. Facility operators consist of these entities.

2. Financial and Operating Status:

Main Swetland LLC is a newly formed Pennsylvania Limited Liability Company, with no financial records, and no connection to a parent company.

3. Project Administration:

Founded in 2012, Ashburn Advisors combines the right financial resources, relationships and senior level expertise to accelerate our clients' business growth. Working with clients around the country and across a variety of industries, we cut through the red tape and consistently structure transactions for success. Ashburn Advisors connects start-ups, existing businesses, commercial developers, municipal governments, and non-profit institutions to the latest traditional and non-traditional financing options available in the marketplace. We are an intermediary for debt, capital and equity financing transactions, including commercial financing, real estate financing, hotel financing, business acquisition (M&A) financing, Small Business Administration (SBA) financing and government grant and loan programs, among others.

Ashburn Advisors is a nimble, results focused team of financing experts. To service the unique needs of our clients and the industry as a whole, we bring together three core competencies rarely offered under one roof: Ashburn Capital, Ashburn Partners, and Ashburn Government Services. We get the job done by moving transactions through the right doors, structured in the right manner. Time and again, Ashburn Advisors earns the trust of our clients as well as the financial institutions and government agencies who ultimately come together to make a deal. The firm is built on vast experience in banking, business development, research and government-based programs, in addition to the management expertise of the firm's founder and executive director, Christopher Cawley.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

The Ashburn Government Services Department is dedicated to identifying and securing the resources our clients need to fulfill your goals. Our senior staff is ready to research and identify all potential funding sources on local, state and federal levels. We solve the complexity of government for both the public and private sectors. For the private side, Ashburn Advisors works as a personal government liaison, assisting clients and their organizations through the bureaucratic maze of local, state and federal government. We take the time to identify the government resources available to best fit each project, in addition to streamlining the application and submittal process. On the public side, we understand the complex world of local government. Ashburn provides leadership and support to municipal governments and authorities, guiding them down the path to success using a wide variety of management and planning services. Our extensive working knowledge of all grant and loan programs allows us to direct a client's financial request from application to administration to closeout.

Ashburn Advisors would dedicate two senior staff members to the administration of the West Scranton Revitalization Project – Christopher Cawley (Director) and Paul Colarossi (Director of Government Lending).

Chris Cawley, Executive Director, is a seasoned senior executive with over twenty years of business experience, including extensive business development responsibilities and the generation/execution of innovative ideas to create and expand market share. Chris has a successful track record of guiding start-up companies in securing an appropriate capital structure and building profitability. He has a proven record of applying change management principals to create a productive, positive coalition of executives and staff, squarely focused on a mission. Chris had been Managing Director of Northeastern Economic Development Company of PA-CDC (NEDCO) since 2005 and President from 2011 to 2013, leaving NEDCO to meet the demands of Ashburn's growth. Under his leadership, NEDCO had been instrumental in over \$250 million of economic development activity in small market endeavors and key to continuing small business lending post-2008 financial crisis. During his tenure at NEDCO, Chris developed a reputation within the community banking industry as an extremely qualified executive, possessing business acumen of proven strategies to finance commercial transactions.

Chris founded Northeast Economic Advisors (NEA) because he saw a limited number of resources available to assist prospective borrowers, financial institutions, and government entities in structuring commercial loan transactions, project management, and grant oversight/administration.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

Further expanding upon NEA's capabilities and seeking new market opportunities, Chris combined NEA with additional resources in founding Ashburn Advisors LLC where he serves as President and Executive Director.

Ashburn's services include engaging as the intermediary for: capital raises, mergers and acquisitions engagements, third party joint venture engagements, SBA and USDA loan originations, state and municipal loans and grants, and consulting with community banks on commercial lending. Chris earned his Bachelor of Science in Accounting from the University of Scranton.

Paul Colarossi, Director of Government Lending, utilizes his many successful years of experience in the development and execution of community and economic development projects and initiatives in low-income areas of Northeastern Pennsylvania, to serve as the Director of Government Lending for Ashburn Advisors. Prior to employment at Ashburn and NEDCO, Paul served as Executive Director of Economic and Community Development for the City of Scranton, where his responsibilities included the oversight and direction of eighteen employees with expertise in land-use planning, construction, contracting, accounting, grant procurement and administration, commercial and residential real estate development, project management, federal program compliance and related activities. Other responsibilities included the oversight of several revolving loan programs designed to spur investment in low-income areas of Scranton, and/or provide employment opportunities for persons of low-to-moderate income. Paul was responsible for managing the \$5.1 million in US department of Housing and Urban Development (HUD) entitlement funds each year, including the CDBG program.

Through the administration and provision of publicly-funded loans to new or expanding businesses, and procurement of public grants, Paul has assisted in the development of many significant economic development projects initiated in Scranton, Pennsylvania during his tenure at the City of Scranton. Through an array of activities on behalf of the City, including grant writing, real estate development agreement negotiation and management, loan program creation, implementation, oversight and day-to-day administration, Paul assisted in the provision of over \$13 million in loans leveraging over \$70 million in private investment in Scranton over the past decade. This investment has assisted Scranton's low-income communities by eliminating blight and providing employment opportunities for hundreds of low-income individuals. Paul is a graduate of Scranton Central High School, and attended the University of Scranton and Pennsylvania State University.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

4. **Financial Necessity:** Main Swetland LLC would have a difficult time in developing the West Scranton Revitalization Project without the financial support and commitment from the Commonwealth. RACP has been introduced to help offset acquisition and construction costs and will represent approximately 50% of the proposed West Scranton Revitalization Project. The RACP is justified on three levels: 1) the project enhances the existing medical corridor on Main Avenue in West Scranton; 2) the project aligns with the goals and principals of the Northeast Regional Bioscience Initiative; and 3) the project eliminates and redevelops blighted properties. An investment from the Commonwealth will help create jobs, establish a stronger and more viable medical and bio-science corridor, and redevelop a currently blighted portion of the city of Scranton.

B. Strategic Plan

1. Business Strategy/Plan

- a. **Product or service to be provided:** The project will feature physical therapy offices, focusing on rehabilitation, health and wellness. This space will serve as the main regional physical therapy and rehabilitation offices for a family owned and operated business. Additional space will be targeted towards research and development entities in the bioscience industry – utilizing the groundwork and network created through the NEPA Regional Bioscience Initiative (NEPA RBI). The NEPA RBI was created in 2012 to help foster growth of the bioscience industry in Northeastern Pennsylvania, through the partnership of higher educational institutions, chambers of commerce, healthcare operations, corporations, and government agencies, in an effort to leverage the region's strengths – which include Sanofi-Pasteur, the Wilkes University pharmaceutical program, and the Commonwealth Medical College in Scranton. In addition, the project will include a new location for an established pharmacy in the region, and improved availability of neighborhood commercial amenities across the street from this new building, consisting of the renovation of a neighborhood market/café/gathering place plus the construction of an additional 4,000 square feet of additional space to be marketed to other neighborhood retail demands. Corporate offices for an existing gas wholesaler will also be relocated and expanded.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

- b. Target market, growth of that market, and the market's need for the product or service:** While their services are required by individuals of all ages, the physical therapy office and pharmacy will continue to focus on their current patient market in NEPA – a region maintaining elevated levels of baby boomers, second only to Dade County, Florida for Medicare population. The improved neighborhood commercial amenities address an existing need for such improvements.

The targeted bioscience offices will draw upon the current medical corridor along Main Avenue in West Scranton, in particular the Mount Pleasant Corporate Center whose tenants include Geisinger Health Systems, Physicians Health Alliance, Lab Corp, and Valley Oral & Maxillofacial Surgery. In addition, the targeted bioscience offices will lean upon the region's strengths as identified by the NEPA RBI program, which include Sanofi-Pasteur, the Wilkes University pharmaceutical program, and the Commonwealth Medical College in Scranton. Complementing this development will be an array of commercial tenants long sought by the existing "rooftops".

- c. Regional and statewide competition:** The main local/regional competition for the regional physical therapist is Allied Services, Pro Care, and Pro Rehab. However, the family-owned physical therapy entity has owned and operated multiple locations throughout Northeastern Pennsylvania for the past eleven years. In terms of the bioscience offices, several downtowns are seeking to capitalize on the push towards increasing the bioscience regionally, however most cities, such as Scranton and Wilkes-Barre, are landlocked. The West Scranton Revitalization Project identifies a location amenable to new construction, yet still well-located to capitalize on the bioscience strengths and opportunities of the region.

- d. Marketing strategy:** The physical therapist and pharmacy will continue to forge ahead in their marketing strategies that have helped build those entities into successful businesses. Relative to the therapist, the strategy includes targeting area physicians, including family doctors and specialists, for patients. The new location will allow them to tap into the current medical corridor located on Main Avenue, just a few minutes away from the project site. In addition, they will utilize their ability to do Direct Access, which, as allowed by PA law, allows them to get patients without doctor's orders or referrals.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC BUSINESS PLAN

The bioscience office will rely heavily on the proven and existing marketing strategy designed and developed through the 8-county-wide NEPA RBI program.

- e. **Prospect of industry/business synergy:** The physical therapist cannot ask for a stronger market than Lackawanna and Luzerne Counties, as this region maintains one of the highest percentages of aging population in the state. Lackawanna County (18.3 percent) and Luzerne County (18.4 percent) maintain a higher average of population 65 years and older than the Commonwealth (16.0 percent) average. In addition, they will have the ability to draw upon the densely populated area of West Scranton and surrounding communities. The bioscience component of the project will follow the NEPA RBI program established by the Commonwealth and area healthcare, education, government, private sector, and economic development leaders. The NEPA RBI program is committed to growing the regional economy through the bioscience industry, in the following three specific areas: Direct Patient Care and Healthcare Administration; Researching & Testing with a focus on Medical Equipment; and Services & Logistics with a focus on Pharmaceuticals. The proposed West Scranton Revitalization Project seeks to tap right into the NEPA RBI program, by devoting a significant portion of the development project space to securing a bio-science tenant.
- f. **Reasoning for selection of the proposed site:** The proposed project will complement the current medical corridor developed along Main Avenue in the West Side of Scranton. The project will be located near Mount Pleasant Corporate Center whose tenants include Geisinger Health System, Physicians Health Alliance, Lab Corp, and Valley Oral and Maxillofacial Surgery. Geisinger is a healthcare industry leader in Northeast PA and is known as an integrated health services organization widely recognized for its innovative use of the electronic health record, and the development and implementation of innovative care models including advanced medical home and ProvenCare program. The system serves more than 2.6 million residents through 44 counties in central and northeastern Pennsylvania. This development has spurred the development of other medical businesses to locate on/near Mount Pleasant Corporate Center. Additionally, the project is located at a site where existing neighborhood commercial amenities can be readily upgraded to improve their utility by community residents.

TAB 6. ORGANIZATIONAL, MANAGEMENT & STRATEGIC PLAN

TABLE OF INVOLVED ORGANIZATIONS/PERSONNEL

Note: Please make sure email addresses are provided & correct as this will be the primary contact method used by the Office of Budget

Task/Position	Organization	Contact Person, Title	Complete Address	Email & Phone
Candidate (normally the beneficiary of the grant)				
Candidate's Board President or Top Executive or Officer (this is to whom RACP decision letter will be directed)	Main Swetland LLC	Frank Cawley	170 S. Highland Drive Pittston, PA 18640	fcawley@msn.com (570) 430-7475
	Southside Xpress Marts, Inc.	Chris Gilchrist	1170 Hwy. 315 Suite 1 Plains, PA 18702	s.falcone@ymail.com (570) 498-9537
Candidate's person to contact for project information (if different from above) (enter "Same," if same)	Main Swetland LLC	Samuel A. Falcone, Esq.	1170 Hwy. 315 Suite 1 Plains, PA 18702	s.falcone@ymail.com (570) 498-9537
	Southside Xpress Marts, Inc.	Samuel A. Falcone, Esq.	1170 Hwy. 315 Suite 1 Plains, PA 18702	s.falcone@ymail.com
Grantee (if known):				
Grantee's Chief Elected Official or Officer	City of Scranton	Mayor William Courtright	340 N. Washington Ave. Scranton, PA 18503	(570) 348-4100
Grantee's Contact Person (if different from above) (enter "Same," if same)	City of Scranton	Linda Aebli Executive Director, Office of Economic and Community Development	340 N. Washington Ave. Scranton, PA 18503	laebli@scrantonpa.gov (570) 348-4216
Consultant aiding with formal Application & Business Plan preparation	Ashburn Advisors LLC	Chris J. Cawley Managing Member	2 Public Square First Floor Wilkes-Barre, PA 18701	cjc@ashburnadvisors.com (570) 954-8727
Architect	E. P. Mancinelli & Associates, PC	Emmett P. Mancinelli, P.E.	625 E. Drinker St. Dunmore, PA 18512	emancinelli@epmancinelliand associates.com (570) 341-0914
Engineer	E. P. Mancinelli & Associates, PC	Emmett P. Mancinelli, P.E.	625 E. Drinker St. Dunmore, PA 18512	emancinelli@epmancinelliand associates.com (570) 341-0914
Contractor	To Be Determined			
Other				

TAB 7.
STATEMENT OF COMPLIANCE

West Scranton Revitalization Project
City of Scranton, Lackawanna County



Office of Economic and
Community Development

October 27, 2016

Mr. Steven Heuer
Office of the Budget
Bell Tower – 7th Floor
303 Walnut Street
Harrisburg, PA

Re: Redevelopment Assistance Capital Program Grant (RACP)
West Scranton Revitalization Project
Scranton, Pennsylvania 18503
Tab 7 – Statement of Compliance Requirements
\$2,500,000.00

Dear Mr. Heuer:

This letter serves as a Statement of Compliance regarding the City of Scranton (Applicant) and West Scranton Revitalization Project (Sub-Applicant) receiving \$2,500,000.00 from the Office of the Budget through its Redevelopment Assistance Capital Program Grant (RACP).

All construction and related activities of the West Scranton Revitalization Project will comply with all requirements set forth by the Commonwealth of Pennsylvania, including but not limited to:

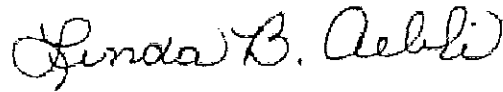
1. Competitive Bidding Requirements
2. Steel Products Procurement Act
3. Trade Practices Act
4. Public works Contractors' Bond Law (Performance Bond & Payment Bond)
5. Pennsylvania Prevailing Wage Act or Davis Bacon Federal Wage Act
6. Americans with Disabilities Act
7. Fidelity Bonds
8. Insurance
 - a. Worker's Compensation Insurance
 - b. Comprehensive General Liability Insurance
 - c. Property Damage Insurance
 - d. Identify Commonwealth as Additional Insured
9. Article 8 (Restrictions on Govt. Entities selling RACP project of Grant Agreement).

Page: Two

Tab 17 – Statement of Compliance Requirements

The City of Scranton will continue to gather the documentation of compliance as required by the grant, which we will make available to the Commonwealth. We understand that failure to comply with these provisions could affect funding reimbursement.

Sincerely,

A handwritten signature in black ink that reads "Linda B. Aebli". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Linda B. Aebli
Executive Director

Lba/

Cc: Mr. Frank Cawley, Main Swetland, LLC
Mr. Chris Cawley, Ashburn Advisors, LLC
Atty. Samuel A. Falcone, Jr., Wetzel, Phillips, Rodgers & Falcone

TAB 8.

PROJECT SCHEDULE

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 8. PROJECT SCHEDULE

Pre-Construction Project Milestones

Activity	Date
Design Phase Start	April 1, 2017
Design Phase Complete	June 1, 2017
Bid Date	June 15, 2017
Bid Opening	June 30, 2017
Obtain All Permits	June 30, 2017
Award Contracts	July 15, 2017

Construction Project Milestones

Phase/Component	Start Date	End Date
Demolition	July 15, 2017	July 31, 2017
Site and Building Construction	August 1, 2017	June 1, 2018

TAB 8-A.
CONSTRUCTION SCHEDULE

West Scranton Revitalization Project

City of Scranton, Lackawanna County

TAB 8-A. CONSTRUCTION SCHEDULE

Construction Project Milestones

Activity Commencement	Date
Demolition	July 15, 2017
Excavation	July 15, 2017
Masonry/Concrete	July 15, 2017
Therapy Pool	August 1, 2017
Steel Framing	September 1, 2017
Wood Framing	September 1, 2017
Roofing	October 1, 2017
Elevator	November 1, 2017
Streetscape	November 1, 2017
Insulation	November 1, 2017
Doors/Windows	November 1, 2017
Sidewalks	November 1, 2017
Façade Upgrades	December 1, 2017
Exterior Finishes	December 1, 2017
HVAC	December 1, 2017
Electrical	December 1, 2017
Plumbing	December 1, 2017
Drywall	February 1, 2018
Second Floor Finishes	April 1, 2018
Painting	April 1, 2018
Floor Finishes	May 1, 2018

TAB 8-B.
BID DOCUMENTATION

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TO BE PROVIDED AT A LATER DATE

TAB 8-C.
CONSTRUCTION RELATED DOCUMENTATION

West Scranton Revitalization Project

City of Scranton, Lackawanna County

TO BE PROVIDED AT A LATER DATE

TAB 9.
PROJECTED CASH FLOW SCHEDULE

West Scranton Revitalization Project
City of Scranton, Lackawanna County

Cash Flow Forecast

Project Name: West Scranton Revitalization Project
Date of Forecast: March 9, 2017

Source of Funds	Forecasted Revenue												Cumulated Remaining	Check Should = 0		
	RDA-300 Amounts	Received to Date	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9			Month 10	Month 11
RACP Grant	2,500,000		2,500,000	455,000	204,500	113,500	93,700	513,700	511,500	362,800	56,800	72,200	116,300			
Bank-Permanent Funds	1,974,000		1,974,000	1,043,852	71,473	53,068	50,214	107,060	107,533	95,430	45,804	48,053	55,328	142,973	86,961	66,250
Project Property Equity	1,015,000		1,015,000													0
City of Scranton CDBG	250,000		250,000										25,000	225,000		0
Total Source of Funds	5,739,000	0	5,739,000	2,513,852	275,973	166,568	143,914	620,760	619,033	458,230	102,604	120,253	196,629	367,973	86,961	66,250

Use of Funds	Expenditures			Forecasted Expenditures												Cumulated Remaining	Check Should = 0	
	RDA-301 Amounts	Expended to Date	Balance	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12			
Administration	25,000		25,000	12,500	6,250												6,250	
Legal/Professional	245,000		245,000	122,500	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	6,250	
Financing/Accounting	95,000		95,000	47,500	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750		
Architectural/Engineering	90,000		90,000	90,000														
Permits	25,000		25,000	25,000														
Land	1,837,500		1,837,500															
Land Closing Costs	50,000		50,000	50,000														
R/E Appraisal	4,500		4,500	4,500														
Construction+Contingency	2,858,500		2,858,500	189,850	232,550	129,250	106,450	593,150	581,275	420,325	64,550	92,050	158,400	228,200	22,450	60,000		
Phase I Environmental	14,500		14,500	14,500														
Real Estate Commissions	200,000		200,000	100,000											100,000			
Interest Expense	129,000		129,000	5,202	5,373	5,518	5,664	5,810	5,958	6,105	6,254	6,403	6,429	6,973	63,311			
Construction Management	165,000		165,000	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	14,800	15,800	1,200			
Total Use of Funds	5,739,000	0	5,739,000	2,513,852	275,973	166,568	143,914	620,760	619,033	458,230	102,604	120,253	196,629	367,973	86,961	66,250		

Monthly Cash Flow

0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing:																
Cumulative Source of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Use of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Line of Credit - Outstanding Balance																
Interest estimated at 8.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TAB 10.
RDA-300 FORM (SOURCES OF FUNDS)

West Scranton Revitalization Project

City of Scranton, Lackawanna County

RDA-300		Commonwealth of Pennsylvania REDEVELOPMENT ASSISTANCE CAPITAL PROJECT SOURCES OF FUNDS						Date Received ME No. State Consultant Firm		
The latest status of this project is: ☐ Business Plan ☐ Application ☐ Grant Agreement		This RDA filing, as it applies to the project's "status" at left, is a/an: ☐ ORIGINAL ☒ REVISION No. <u>1</u> ☐ AMENDMENT						Version: June 2016		
PROJECT INFORMATION										
PROJECT NAME		West Scranton Revitalization Project				PROJECT PHASE		I	OF	I
GRANTEE		City of Scranton								
SUB-GRANTEE(S)		Main Swetland LLC								
County	Municipality	Municipal Population	Legislative Districts		RACP Construction Schedule					
Lackawanna	City of Scranton	75,809	House	Senate	Start Date	End Date	Duration in months			
			113	22	5/1/17	6/1/18	13 months			
OFFICIAL CONTACT PERSONS										
Chief Elected Official or Officer of Grantee			Contact Person (normally the person from the entity at left that is most familiar with the project; enter "Same" if same person & provide email address)							
Federal ID No.	24-6000704		Name & Title		Linda B. Aebli, Executive Director					
Name & Title	William Courtright, Mayor		Organization		Office of Econ and Community Development					
Organization	City of Scranton		Address		340 North Washington Avenue Scranton, PA 18503					
Address	340 North Washington Avenue Scranton, PA 18503		Phone		(570) 348-4216					
Phone	(570) 348-4100		Email address		laebli@scrantonpa.gov					
Email address										
FUNDING SOURCES										
Type	Amount	Description				Secured?	Unsecured? or Other?			
REDEVELOPMENT ASSISTANCE FUNDS	\$2,500,000									
MATCHING FUNDS	\$3,239,000									
A. Local Funds										
B. Private Funds	\$1,974,000	Bank - Permanent Funds				Yes				
C. Land	\$1,015,000	Project Property Equity				Yes				
Attach Appraisal										
D. Federal Funds	\$250,000	City of Scranton CDBG Grant				Yes				
E. Other										
TOTAL FUNDS	\$5,739,000									
Attach an explanation about any state or federal funds the project has received in the past or will receive in the future that are not being counted as matching funds										
PROJECT ADMINISTRATION										
Will the Applicant administer the project?			☐ Yes ☒ No		Will the Applicant designate a Project Administrator?			☒ Yes ☐ No Other? ☐ Yes ☐ No		
Administrators:			Applicant's Staff		Linda B. Aebli					
			Sub-Applicant's Staff		Paul Colarossi - Ashburn Advisors, LLC					
			Designated Administrator		Ashburn Advisors LLC - Chris Cawley (570) 954-8727					
Are Cooperation Agreements attached?			☐ Yes ☒ No		Status: In Process					
APPLICANT'S AUTHORIZATION										
To the best of my knowledge and belief, data in this application are true and correct and the submission of the application has been duly authorized by the governing body.										
Signature & Title of Authorized Official						Date				

TAB 10-A and 10-B RDA-300 FORM (SOURCES OF FUNDS)

DOCUMENTATION OF MATCHING FUNDS

DOCUMENTATION OF INTERIM/BRIDGE FINANCING

In regard to matching funds and interim/bridge financing, the Subgrantee is in the process of securing term sheets and financial commitments from local lending institutions and agencies. These documents will be forwarded to the Grantee and PA Office of the Budget as soon as possible.

TAB 11.

RDA-301 FORM (SOURCES OF FUNDS)

AND IDENTIFICATION AND QUALIFICATION OF

COST ESTIMATOR

West Scranton Revitalization Project

City of Scranton, Lackawanna County

RDA-301		Commonwealth of Pennsylvania REDEVELOPMENT ASSISTANCE CAPITAL PROJECT USES OF FUNDS				Date Received						
		Version: June 2016				ME No.						
The latest status of this project is: ☐ Business Plan ☐ Application ☐ Grant Agreement		This RDA filing, as it applies to the project's "status" at left, is a/an: ☐ ORIGINAL ☒ REVISION No. <u>1</u> ☐ AMENDMENT				State Consultant Firm						
PROJECT NAME		West Scranton Revitalization Project			PROJECT PHASE		I	OF	I			
GRANTEE		City of Scranton										
SUB-GRANTEE(S)		Main Swetland LLC										
LINE ITEM	BUDGET CATEGORY	RACP REIMBURSEMENT	MATCH ONLY	TOTAL								
1	Operation & Maintenance	Typical Match										
2	Administration	Typical Match	\$25,000	\$25,000								
3	Legal /Professional	Typical Match	\$245,000	\$245,000								
4	Financing/Accounting	Typical Match	\$95,000	\$95,000								
5	Interest During Construction											
6	Architectural/Engineering	Typical Match	\$90,000	\$90,000								
	A. Feasibility Study	Typical Match										
	B. Surveys	Typical Match										
	C. Design	Typical Match										
	D. Inspection Services	Typical Match										
	E. Other (Specify)	Typical Match										
7	Permits		\$25,000	\$25,000								
8	Land (if used, entries A., B., or C. below should reflect the <i>[planned]</i> ownership <i>at commencement of the RACP project construction</i>)											
	A. Grantee owned (value)											
	B. Sub-Grantee owned (value)	\$455,000	\$1,382,500	\$1,837,500								
	C. 3rd Party owned (value)											
	D. Easement Cost											
	E. Other Land Costs (Specify & itemize below)											
	i. Closing Costs		\$50,000	\$50,000								
	ii. Appraisal		\$4,500	\$4,500								
	iii.											
9	Construction (Attach construction cost breakdown)	\$2,045,000	\$513,500	\$2,558,500								
	A. Contingency (<u>12</u> % of Construction)	Typical Match	\$300,000	\$300,000								
10	Other (Specify & itemize below)											
	A. Phase I Environmental		\$14,500	\$14,500								
	B. Real Estate Commissions		\$200,000	\$200,000								
	C. Interest Expense		\$129,000	\$129,000								
	D. Construction Management		\$165,000	\$165,000								
TOTAL PROJECT COST		\$2,500,000	\$3,239,000	\$5,739,000								
APPLICANT'S AUTHORIZATION					COMMONWEALTH'S APPROVAL							
Approval of the Project Financing Plan is hereby requested.					The Project Financing Plan is hereby granted.							
SEAL					Commonwealth of Pennsylvania Office of the Budget							
					Applicant					Signature of Authorized Official		
					Signature of Authorized Official					Signature of Authorized Official		
					Title					Title		
					Typed or Printed Name					Typed or Printed Name		
Date					Date							

Updated 3-9-2017

West Scranton Revitalization Project - RDA 301 Backup

Line 2 Administration

Administration	<u>25,000</u>	25,000

Line 3 Legal

Legal/Professional	<u>245,000</u>	245,000

Line 4 Financing/Accounting

Financing/Accounting	<u>95,000</u>	95,000

Line 6 Architectural/Engineering

Architect Fee	<u>90,000</u>	90,000

Line 7 Permits

Building Permit Cost	<u>25,000</u>	25,000

Line 8 Land

Real Estate Acquisition (Parcel 1 - Under Contract)	555,000	
Real Estate Acquisition (Parcel 2 - Under Contract)	180,000	
Real Estate Acquisition (Parcel 3 - Under Contract)	87,500	
Land Equity	<u>1,015,000</u>	1,837,500

Line 8E Other Land Costs

Closing Costs	50,000	
Appraisal Fees	<u>4,500</u>	54,500

Line 9A Construction

See Page Two	<u>2,558,500</u>	2,558,500

Line 9B Construction Contingency

Construction Contingency	<u>300,000</u>	300,000

Line 10A Phase I Environmental

Phase I Environmental	<u>14,500</u>	14,500

Line 10B Real Estate Commissions

Real Estate Commissions	<u>200,000</u>	200,000

Line 10C Interest Expense

Interest Expense	<u>129,000</u>	129,000

Line 10D - Construction Management

Construction Management	<u>165,000</u>	165,000

Totals		<u>5,739,000</u>

Match Needed		<u>3,239,000</u>

**West Scranton Revitalization Project
Construction Budget**

March 9, 2017

General Conditions	25,000
Demolition	275,000
Excavation	15,000
Renovation of Existing Building	28,000
Masonry/Concrete	90,000
Steel Framing	30,000
Wood Framing	165,000
Insulation	50,000
Roofing	70,000
Drywall	120,000
Doors/Windows	125,000
Facade Upgrades	87,500
Exterior Finishes	180,000
Site/Sidewalks	436,619
Paint/Intumescent	95,000
Floor Finishes	65,000
HVAC	105,000
Electrical	105,000
Plumbing	65,000
Pool	28,000
Elevator	60,000
Streetscape	238,381
2nd Floor Finishes	100,000
<u>Total Project Construction</u>	<u>2,558,500</u>

TAB 11. RDA-300 FORM (SOURCES OF FUNDS)

IDENTIFICATION AND QUALIFICATION OF PROJECT COST ESTIMATOR

Project costs were prepared by Emmett P. Mancinelli, P.E., principal of E.P. Mancinelli & Associates, located at 625 East Drinker Street, Dunmore, Pennsylvania. Mr. Mancinelli's Curriculum Vitae is attached.

EMMETT P. MANCINELLI, P.E.
625 East Drinker Street Dunmore, Pennsylvania 18512
Phone: (570) 341-0914

CURRICULUM VITAE

REGISTRATION Professional Engineer-Pennsylvania, PE-040642-E

EDUCATION

Bachelor of Science, Mechanical Engineering, Pennsylvania State University, 1985
Graduate course in Safety Systems Engineering, Pennsylvania State University, 1993
Center for Professional Advancement, Brunswick, NJ, several continuing education seminars.
Bucks County Community College/PA Fire Academy, Fire Arson Detection Seminar

ENGINEERING EXPERIENCE

January 1994 - Present, E.P. Mancinelli & Associates, P.C.

Started engineering firm offering primarily mechanical structural and civil engineering and related services. The services offered include mechanical and structural building component design, building design modification various machine, machinery support designs, road design, site grading and erosion and sedimentation control plan preparation. Within these projects are various responsibilities including drawing and bid document preparation, project scheduling, estimating and management of CAD personnel and field supervision of construction personnel.

1985- 1993- Azko Salt Incorporated

In the position of project engineer, the function was the design and analysis of bulk material processing systems, building structures and heating ventilation and air conditioning systems employing mechanical, chemical and structural engineering techniques for project costing up to \$6 million. Secondary functions were project budgeting, scheduling and supervision of CAD and equipment installation personnel.

REFERENCES

Available upon request.

EMMETT P. MANCINELLI, P.E.
625 E. Drinker Street, Dunmore, Pennsylvania 18512
(570) 341-0914

QUALIFICATIONS

REGISTRATION Professional Engineer - Pennsylvania, PE-040642-E

EDUCATION

Bachelor of Science, Mechanical Engineering, Pennsylvania State University, 1985
Graduate course in Safety Systems Engineering, Pennsylvania State University, 1993
Center for Professional Advancement, Brunswick, New Jersey, several continuing education seminars
Bucks County Community College/PA Fire Academy, Fire Arson Detection Seminar

ENGINEERING EXPERIENCE

January 1994 - Present, E. P. Mancinelli, & Associates, P. C.

Started engineering firm offering primarily mechanical structural and civil engineering and related services. The services offered include mechanical and structural building component design, building design, road design, land development, site grading and erosion and sedimentation control plan preparation, stormwater design, and environmental permitting. Within these projects are various responsibilities including drawing and bid document preparation, project scheduling, estimating and management of CAD personnel and field supervision of construction personnel.

PROJECT EXPERIENCE - E. P. MANCINELLI, & ASSOCIATES, P. C.

Aventis-Pasteur - Site Wide Stormwater Management Study.
Glen Meadows Subdivision, Covington Township, Pa - 280 acre residential subdivision.
Stroud West Land Development - Retail Center in Stroud Township
Latimer Chiropractic Land Development - Carbondale, Pa - Medical Office
DeCarli Dental Office Land Development - Archbald, Pa. - Medical Office
Burdyn Dental Office Land Development - Dickson City, Pa. - Medical Office
Icebox Ice Rink Land Development, Scranton, Pa - Retail/Recreation Center.
Icebox Ice Rink Land Development, Jenkins Township, Pa - Recreation Center.
Local School Districts - Abington Heights, Scranton, Mid Valley
Grant Projects - Carbondale Technology Transfer Center, West Scranton
Redevelopment Project

REFERENCES

Available upon request

TAB 11-A. RDA-300 FORM (SOURCES OF FUNDS)

CONSTRUCTION COST BREAKDOWN

SEE ATTACHED

**West Scranton Revitalization Project
Construction Budget**

March 9, 2017

General Conditions	25,000
Demolition	275,000
Excavation	15,000
Renovation of Existing Building	28,000
Masonry/Concrete	90,000
Steel Framing	30,000
Wood Framing	165,000
Insulation	50,000
Roofing	70,000
Drywall	120,000
Doors/Windows	125,000
Facade Upgrades	87,500
Exterior Finishes	180,000
Site/Sidewalks	436,619
Paint/Intumescent	95,000
Floor Finishes	65,000
HVAC	105,000
Electrical	105,000
Plumbing	65,000
Pool	28,000
Elevator	60,000
Streetscape	238,381
2nd Floor Finishes	100,000
<u>Total Project Construction</u>	<u>2,558,500</u>

TAB 11-B. RDA-300 FORM (SOURCES OF FUNDS)

SITE CONTROL DOCUMENTATION

(Sales Agreement – Parcel 1)



0 150 300 Feet

Date: 9/26/2016

Disclaimer:

The County of Lackawanna makes no representations, either expressed or implied, regarding the information contained on this

[illegible]

A vertical scale bar with tick marks at 0, 150, and 300 feet. The text '0', '150', and '300 Feet' is positioned to the right of the bar.



Disclaimer:
The County
expressed o

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement") is made this 20th day of September, 2016 (the "Agreement Date"), by and between William Gilchrist (collectively the "Seller") and Main Swetland LLC and/or its assigns (the "Purchaser").

WITNESSETH

A. Seller is the owner of those certain parcels or tracts of land located at 1146-1148, Scranton Pennsylvania bearing Tax Map # _____ and more particularly described in the Office of the Recorder of Deeds of Lackawanna County in Deed Book Deed Book _____ at Page _____ which is attached hereto and incorporated herein as Exhibit "A" (the "Land"),

B. Seller desires to sell the Property to Purchaser and Purchaser desires to purchase the Property from Seller upon the terms and conditions set forth herein.

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

1. **SALE OF PREMISES.** Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell, transfer and convey to Purchaser and Purchaser hereby agrees to purchase from Seller the following (collectively, the "Property"):

(A) **Realty.** The realty (the "Realty"), including the Land, the Building and other improvements set forth thereon, and all rights and appurtenances pertaining thereto, including but not limited to:

(1) All right, title and interest, if any, of Seller in and to any land in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land;

(2) All right, title and interest, if any, of Seller in and to any rights-of-way or rights of ingress or egress on or to any land, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining any part of the Land, any and all awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto by reason of a change of the grade of any such highway, street, road or avenue;

(3) All right, title and interest, if any, of Seller in and to any easements adjacent to or serving the Realty;

(4) All sewage treatment capacity, water capacity and other utility capacity allocated by any public or private utility to serve the Realty; and

(5) Any reversionary rights attributable to Seller with respect to the Realty;

(6) All right title and interest, if any, of the Seller in and to the following related to the Land: (i) coal and mineral rights; (ii) subsurface rights; (iii) rights of lateral support or so called third estate (the "Subsurface Rights"); and

(B) Plans. All of Seller's right, title and interest in and to all plans, drawings, specifications, surveys, engineering, inspection or similar reports and other technical descriptions relating to the Realty (collectively, the "Plans"), to the extent assignable; and

(1) Government Permits. All governmental permits including, but not limited to all governmental permits, approvals or licenses granted with respect to the ownership, construction, use, occupancy and operation of the Realty to the extent assignable under applicable law (the "Incidental Rights").

2. PURCHASE PRICE. Purchaser shall pay in exchange for the Property the sum of Five hundred and fifty thousand and 00/100 Dollars (\$ 550,000.00) (the "Purchase Price") (subject to reimbursements and apportionments as contained herein).

3. MANNER OF PAYMENT OF PURCHASE PRICE. The Purchase Price shall be paid as follows:

(A) Deposit. As of the date of this Agreement executes this Agreement (the "Agreement Date"), Purchaser shall deliver to SELLERS a check in the amount of ONE THOUSAND and 00/100 Dollars (\$ 1,000.00). This Deposit is NON-REFUNDABLE.

(B) Payment of Balance of Purchase Price. At Closing, Purchaser shall pay to Seller the Purchase Price minus the Deposit subject to adjustments and apportionments set forth in this Agreement by wire transfer of immediately available federal funds. Seller shall deliver to Title Company wiring instructions not later than five (5) days before the Closing Date (as hereinafter defined).

4. INVESTIGATION PERIOD.

(A) Investigation. Purchaser shall have a period commencing on the Agreement Date and expiring at five o'clock p.m. Seven (7) calendar days after the Agreement Date (the "Investigation Period") to cause one or more of Purchaser's experts to inspect and otherwise do that which in the opinion of Purchaser is prudent to determine the suitability of the Property for the uses intended by Purchaser (the "Investigation"). This Investigation shall include normal and customary due diligence including but not limited to surveys, title examination, environmental inspections, soil inspections, structural inspections, zoning approvals, subdivision and reverse subdivision approvals (including obtaining approvals for any intended use of the Property by Purchaser) and to determine compliance with applicable governmental laws, rules, regulations, and ordinances. As part of the Investigation, Purchaser shall have the right to cause to be performed such environmental testing or environmental investigation of the Property as Purchaser shall deem necessary by a competent environmental engineer or environmental consultant selected by Purchaser, provided, however, that Purchaser shall not have any right to conduct invasive Phase II testing of soils without the express permission of Seller which shall be conditioned upon Seller's approval of the scope of the Phase II testing plan. Purchaser shall hold Seller harmless and shall indemnify Seller against any and all claims, including costs, fees, expenses and reasonable attorney's fees for or in respect to injuries (including death) or damage of any kind to the person or property of Seller, Purchaser or any other person caused by or in connection with Purchaser's Investigation. However, in the event that such injury, death or damage is caused by the negligent or willful act or omission of Seller or any agent, servant, employee or representative thereof, Seller shall be liable therefor. Purchaser, prior to any entry onto the Property, shall provide Seller with a certificate of insurance from a reputable insurance company covering such indemnification obligations of Purchaser, naming Seller as an additional insured.

(B) Cooperation by Seller. The Seller shall cooperate fully with the Purchaser with respect to the Investigation and shall not act in any manner to hinder, obstruct, delay or prevent the same. The Seller shall deliver to the Purchaser on the Agreement Date copies of all environmental reports, governmental permits and

approvals, evaluations, surveys, analyses, plans, engineering data, review letters, investigations and documents in the Seller's possession and all notes and correspondence related thereto, together with all written consents necessary for Purchaser to use the same. In addition, Seller shall deliver to Purchaser such other information in Seller's possession concerning the Property (including information regarding the construction of the Building on the Property) as may be reasonably requested by Purchaser and Seller can reasonably deliver within three (3) days after request therefore by Purchaser

(C) **Termination Right.** If, at any time prior to the expiration of the Investigation Period, Purchaser determines that it is not satisfied with the results of the Investigation, including, but not limited to any condition unacceptable to Purchaser revealed in a survey, title examination, environmental inspection, soil inspection, structural inspection, as well as the inability to obtain zoning, subdivision and/or reverse subdivision approvals for Purchaser's intended use of the property or the status of any other condition of the Property, whether known or unknown on the Agreement Date, and notifies Seller in writing of its election to terminate this Agreement, this Agreement shall, without any further action by either Purchaser or Seller, become null and void and of no further force and effect, in which event Escrow Agent shall return the Initial Deposit to Purchaser, and all parties to this Agreement shall be released from all further liability or obligation hereunder.

(D) **Option to Extend Investigation Period.** So long as Purchaser is making a good faith effort to obtain the necessary funding for the Property, Purchaser shall have a right to extend the Investigation Period Sixty (60) calendar days so long as at least five (5) days prior to the expiration of the initial One Hundred and Twenty (120) period, Purchaser provides Seller with written notice of its desire to exercise the option to extend.

5. **TITLE/SURVEY.**

(A) **Title Report/Survey.** Seller shall deliver to Purchaser the most recent copy of the survey of the Property (the "Survey"), if any, is in the possession of Seller. A search of title to the Property shall be promptly made by a Pennsylvania licensed title insurer of Purchaser's choice, and upon receipt of the title commitment (the "Title Report"), Purchaser shall furnish Seller a copy thereof, together with copies of any matters which are listed as exceptions on the Title Report. Simultaneously, with the delivery of the Title Report to Seller, Purchaser shall notify Seller in writing of any exceptions appearing on the Title Report or matters shown on the updated Survey which are unsatisfactory to Purchaser (the "Title Objections"). Within ten (10) days after receipt of the Title Objections, the Seller shall notify the Purchaser in writing of which Title Objections, if any, that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy (the "Seller's Title Response"). Within ten (10) days after receipt of the Seller's Title Response, the Purchaser shall either: (i) waive such Title Objections as Seller is unable or unwilling to cure or cause to be removed as an exception to Purchaser's title policy, or (ii) terminate this Agreement by giving written notice thereof to Seller, in which event the Escrow Agent shall refund the Deposit to the Purchaser, this Agreement shall be null and void, and neither of the parties shall have any further obligations or liability under this Agreement. If Purchaser fails to terminate this Agreement pursuant to the preceding sentence, Purchaser shall be deemed to have waived any Title Objections which Seller has expressly stated in Seller's Title Response that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy. Notwithstanding the foregoing, Seller shall, at Closing, have an affirmative obligation to cure and remove all monetary liens or encumbrances which are recorded against the Property, including, but not limited to, mortgages or other liens securing financing, mechanics liens, judgments and delinquent taxes, assessments and sewer and water charges.

(B) **Status of Title.** The Property (exclusive of the Subsurface Rights) is to be conveyed to Purchaser free and clear of all liens, encumbrances, easements, restrictions and agreements excepting with respect to the Realty only the Permitted Exceptions (hereinafter defined). With the exception of the Permitted Exceptions, and the Subsurface Rights, title to the Realty shall be good and marketable and such as will be insured by a licensed Pennsylvania title insurer at its regular rates for regular risks pursuant to the standard

stipulations and conditions of the most current version of an ALTA policy of owner's title insurance. Seller shall furnish such customary title affidavits and other documents as the Title Company may require for the removal of standard title objections. "Permitted Exceptions" as used herein shall mean the following:

(1) Any exceptions originally appearing in the Title Report which are not objected to in writing by the Purchaser to the Seller or which are objected to, but such objection is thereafter waived in writing by the Purchaser or deemed waived pursuant to Section 5.A above.

(C) Inability to Convey Title. If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, Purchaser shall have the option:

(1) Of taking such title to the Property as Seller is able to convey, with abatement of the Purchase Price in the amount (fixed or ascertainable) of any liens or encumbrances on the Property; or

(2) Of terminating Purchaser's obligations under this Agreement and having the Deposit returned to Purchaser, in which event this Agreement shall be null and void and neither party shall have any further obligations hereunder.

(3) Notwithstanding the foregoing, if title to the Realty is not as described in Section 5.B hereof by reason of any willful act or omission of Seller subsequent to the Agreement Date, or by reason of the failure of Seller to pay or discharge any monetary liens, the same shall constitute a breach by Seller and Purchaser shall be entitled to pursue all remedies available to Purchaser at law or in equity.

6. COVENANTS OF SELLER. Seller covenants that it will:

(A) Inspection. Prior to the Closing Date, permit Purchaser and Purchaser's agents and employees to inspect the Property from time to time at reasonable times for the investigation including the performance of environmental testing and investigations.

(B) Lease. Without the prior written consent of Purchaser, not enter into any contract, lease, easement, license or other Agreement affecting or encumbering the Property which cannot be terminated at Closing without charge, cost, penalty or permission;

(C) Creation of Title Imperfections. Other than the Permitted Exceptions, between the Agreement Date and the Closing Date, not permit any liens, easements, encumbrances or other clouds on the title to the Realty to be created (the "Title Imperfections"). If Seller creates or permits any Title Imperfections to be created in violation hereof, Seller shall promptly remove them prior or on the Closing Date;

(D) Satisfaction of Liens. Prior to or at Closing, satisfy any liens or encumbrances which exist against the Property on the Closing Date which may be satisfied by the payment of money, either by such payment or by depositing in escrow with the Title Company so much of the Purchase Price as will cause Purchaser's title insurer to insure Purchaser against any loss which is caused to Purchaser because of the existence of such liens or encumbrances;

(E) Notice of Suits. Promptly deliver to Purchaser copies of any written notice received by Seller regarding all actions, suits or other proceedings affecting the Property, or the use, possession or occupancy thereof, which may adversely affect Purchaser or the Property;

(F) Environmental and Other Notices. Promptly deliver to Purchaser copies of written notices received by Seller of releases of hazardous substances or actual or threatened condemnation of the Property, or any portion thereof, given Seller on behalf of any federal, state or local agency;

(G) Taxes. Timely and properly file all state and federal tax reports and pay all taxes due when and as required which are not being disputed or contested in good faith;

7. REPRESENTATIONS AND WARRANTIES.

(A) Representations and Warranties of Seller. In order to induce Purchaser to enter into this Agreement and with full knowledge that Purchaser is relying thereon, Seller hereby warrants and represents to Purchaser as follows:

(1) Power to Perform. Seller has full power and authority to enter into and fulfill Seller's obligations under this Agreement. The execution of this Agreement by Seller constitutes a valid and binding obligation of Seller in accordance with its terms and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. All documents executed by Seller which are to be delivered to Purchaser at the Closing will be executed and delivered by Seller and will be legal, valid and binding obligations of Seller, and will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(2) Accuracy of Documentation. All books and records or other documentation delivered to Purchaser pursuant to this Agreement or in connection with the execution hereof are, to the best of Seller's knowledge, true, complete and correct copies. Prior to the expiration of the Investigation Period, Seller will, or shall have delivered to Purchaser, all documents and information relating to the Property of which Seller has knowledge which have or may have any material economic impact on the transaction contemplated hereby or on the operation and condition of the Property.

(3) Contracts. There are not now, nor will there be on the Closing Date, any contracts or agreements (including, without limitation service contracts and/or management agreements), written or oral, to which Seller is a party which affect the Property other than those attached hereto and made a part hereof as Exhibit "B". All amounts due under any such contracts for any work or improvements respecting the Property shall have been paid by Seller on or prior to the Closing Date. (From the Agreement Date through the Closing Date, Seller shall not modify or terminate any of said contracts without Purchaser's prior written consent).

(4) Leases. There are no oral or written leases or rights of occupancy for any portion of the Property other than those set forth in Exhibit "B"

(5) Zoning Classification. The current zoning classification of the Realty is commercial under the applicable zoning ordinance.

(6) Assessed Valuation. There is no proceeding pending for the adjustment of the assessed valuation of all or any portion of the Property; there is no abatement in effect with respect to all or any portion of the real estate taxes; the real estate tax bills furnished by Seller to Purchaser are accurate and complete copies of all bills for taxes levied against or on account of the Property or any rent or income from the Property for the last three (3) full calendar years to the extent available, and for the current calendar year to date.

(7) Assessments. Seller has received no notice of any pending special assessment with respect to any portion of the Property, or become aware of any special assessment being contemplated. Any special municipal assessments levied between the Agreement Date and the Closing Date shall be paid by Seller.

(8) Condemnation. There is no condemnation proceeding with regard to the Property and Seller does not know of any proposed condemnation proceeding with regard to all or any portion of the Property.

(9) Litigation. There is not now any action, proceeding, litigation or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Property, or any basis therefor, that arises out of the ownership of the Property or that may affect the use, occupancy or operation of the Property for its present purpose or the value of the Property, or affect the ability of Seller to perform its obligation under this Agreement, or which questions the validity or enforceability of this Agreement.

(10) Foreign Person. Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code.

(11) Environmental Matters.

(1) Seller has no knowledge of the application, use, treatment, production, generation, discharge, disposal, release or storage on, from or onto the Property, or any lot or property adjacent thereto, of any Hazardous Material (as hereinafter defined). "Hazardous Material" as used herein means and includes any petroleum, hazardous, toxic or dangerous waste, substance or material defined as such in, or for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, any so called "superfund or superlien" law or any other federal, state or local statute, law, ordinance, code, rule, regulations, order, decree or other requirement of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now in effect and applicable to the Property. To the best of Seller's knowledge, the Building and all other improvements and fixtures constituting any portion of the Property do not contain any hazardous building materials or toxic substances including without limitation, friable asbestos or any other substance containing asbestos and being hazardous by federal or state regulations regulating such material, lead-based paints or PCBs except to the extent permitted by applicable laws. Seller has no knowledge of any underground storage tanks at the Property. If any Hazardous Material is discovered at the Property in violation of applicable law prior to the Closing Date and Seller does not agree to remedy such condition to Purchaser's reasonable satisfaction at Seller's sole cost, Purchaser shall have the right to terminate this Agreement by written notice to Seller and to be refunded the Deposit.

(2) Purchaser agrees that it will not with respect to the Property prior to the applicable Closing Date report to, notify or otherwise communicate with the United States Environmental Protection Agency ("EPA") or the Pennsylvania Department of Environmental Protection ("DEP") or any other party regarding any activities or conditions relating to the condition of the Property without the prior knowledge and consent of the Seller, unless:

i. An activity or condition related to the Property presents an emergency or imminent hazard to human health or the environment and notification by the Purchaser to EPA or DEP is required by applicable law; and

ii. The Purchaser is unable to contact the Seller within the time required by law for the Purchaser to give such notice to EPA or DEP.

(12) Notices. Seller has not received and has no actual knowledge of any notices of any violation of any law, order or requirement issued by any municipal or other public authority against or affecting all or any portion of the Property with regard to any work or improvements done or ordered by such authority to be done either before or after the Agreement Date. Seller has not received and has no actual

knowledge of any notice or request from any insurance company or board of insurance underwriters (or similar organization) requesting the performance of any work or the correction of any conditions concerning the Property.

(13) Utilities. The Property is serviced by public water, sewer, gas and electric.

(14) Governmental Certificates. All certificates of occupancy necessary for operation of the Property as presently conducted, have been issued by all authorities having jurisdiction thereof and all such certificates of occupancy are in full force and effect. Seller has not received any written notice of suspension or cancellation of any certificate of occupancy;

(15) Historic Property. The Property has not been registered or certified as "historic" by any local, state or federal government entity or historic commission;

(16) Public Roads. All roads abutting the Property are dedicated public roads and a Deed to be delivered to Purchaser at Closing hereunder is the only instrument necessary to convey to Purchaser all rights appurtenant to the Property in such roads;

(17) Fee Ownership. Seller holds, or at the time of Closing will hold, for simple title to the Property.

(B) Representations and Warranties of Purchaser. In order to induce Seller to enter into this Agreement, and with full knowledge that Seller is relying thereon, Purchaser hereby warrants and represents to Seller as follows: (i) this Agreement is duly authorized, executed and delivered by Purchaser, constitutes the legal and valid binding obligation of Purchaser, and does not violate any provision of any agreement or judicial order to which Purchaser is a party or to which it is subject; (ii) all documents executed by Purchaser which are to be delivered to Seller at the Closing will be duly authorized, executed and delivered by Purchaser, and will not violate any provisions of any agreement or judicial order to which Purchaser is a party or to which it is subject; (iii) that Purchaser shall provide truthful and complete information to any prospective lending institution in connection with any application for financing of the Purchase Price; (iv) that Purchaser's obligations under this Agreement are not conditioned or contingent upon the sale of any real or personal property that is not the subject of this Agreement.

(C) Representations and Warranties to Survive Closing. Each of the representations and warranties of the respective parties contained herein or made in writing pursuant to this Agreement, shall be true and correct as of the Agreement Date and as of the Closing Date and shall survive the execution and delivery of this Agreement and Closing.

8. FIRE OR OTHER CASUALTY. Seller shall maintain in effect until the Closing Date the insurance policies now in effect with respect to the Property. If on or prior to the Closing Date any portion of the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, Seller shall immediately give written notice thereof with specificity to Purchaser, and Purchaser shall have the right, at its sole option, of terminating this Agreement and being released from all liabilities and obligations hereunder, in which event the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of such damage. If notice of such damage is received by Purchaser and Purchaser fails to deliver written notice to Seller of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser does not terminate this Agreement, the proceeds of any insurance paid between the Agreement Date and the Closing Date, not utilized to repair and restore the Realty or other Property, shall be paid to Purchaser on the Closing Date, together with the deductible amount, if any, under Seller's casualty

insurance policy and Seller shall assign to Purchaser all rights Seller has to any future insurance proceeds arising from such casualty, without in any manner affecting the Purchase Price.

9. **CONDEMNATION.** If on or prior to the Closing Date, all or any portion of the Property is taken by eminent domain or a notice of any eminent domain proceeding with respect to the Property or any part thereof is received by Seller, Seller shall immediately give written notice thereof with specificity to Purchaser. If such taking adversely affects the Property in the sole determination of Purchaser, Purchaser shall have the option to complete the purchase hereunder, or terminate this Agreement, in which event this Agreement shall be null and void and the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of eminent domain proceedings. If notice of condemnation is received by Purchaser and Purchaser fails to deliver written notice of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser elects (or is deemed to have elected) to complete the purchase of the Property hereunder, the purchase shall be completed in accordance with this Agreement, except at the Closing Seller shall pay, assign and transfer to Purchaser all proceeds from such proceedings theretofore received by Seller with regard to the Property and all rights Seller has to any future proceeds of such eminent domain proceedings with regard to the Property, without in any manner affecting the Purchase Price.

10. **DEFAULT.**

(A) **Purchaser's Default.** Should Purchaser default under any of the terms, covenants or conditions of this Agreement, provided Seller is not in default hereunder, Seller shall have as its sole and exclusive remedy, the right to terminate to receive the entire Deposit as liquidated damages and not as a penalty, such being agreed between Purchaser and Seller to be a necessary condition to this Agreement in order to compensate Seller for expenses and expenditures incurred and made in connection therewith and the damages sustained as a result of withdrawing the Property from the market and otherwise for Purchaser's non-compliance with this Agreement. Thereupon, this Agreement shall become null and void and of no further force and effect and neither party shall have any further rights, liabilities or obligations hereunder.

(B) **Seller's Default.**

(1) **Seller's Inability to Convey Title.** If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, then, except as set forth in Section 5.C(3) hereof, Purchaser's only remedy shall be to terminate this Agreement by giving written notice to Seller on or before the Closing Date. Purchaser may, nevertheless, accept such title as Seller shall be able to convey in accordance with Section 5.C(1) hereof.

(2) **Breach of Representation, Warranty or Covenant.** If Purchaser has actual knowledge prior to the Closing Date that any of the representations and warranties of Seller are not true and correct or have otherwise been breached or that any of Seller's covenants have been breached, then, except as provided in Section 10.B(3) hereof, Purchaser's sole remedy shall be to terminate this Agreement by giving written notice of such termination to Seller on or before the Closing Date.

(3) **Seller's Intentional Breach.** Notwithstanding anything to the contrary contained in Sections 10.B(1) and 10.B(2) hereof, if Seller's breach of this Agreement results from Seller's intentional default under any of the terms, covenants or conditions of this Agreement, including any intentional breach of a covenant, representation or warranty, Purchaser shall be entitled to pursue all of its rights and remedies at law or in equity, including, without limitation, specific performance. The exercise of (or failure to exercise) any one of Purchaser's rights or remedies under this Subsection shall not be deemed to be in lieu of, or a waiver of, any other right or remedy contained herein.

11. **CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATION.**

(A) **Conditions Precedent.** The obligation of Purchaser to complete Closing hereunder in accordance with this Agreement is contingent upon satisfaction of each of the following conditions (any of which may be waived in whole or in part by Purchaser on or prior to the Closing Date):

(1) **Compliance with Covenants.** All of the covenants and agreements to be performed by Seller on or prior to the Closing Date under the terms of this Agreement shall have been so performed by Seller.

(2) **Seller's Representations and Warranties.** Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all respects on the Closing Date as though made on the Closing Date.

(3) **Financing.** The purchase/sale of the Property is contingent upon the Purchaser or his assignee obtaining financing for the Property in an amount not less than ONE HUNDRED FIFTY THOUSAND and 00/100 Dollars (\$150,000.00). Purchaser has 120 days from date of agreement to obtain financing. In the event Purchaser is not able to obtain financing for the acquisition of the Property and Assets, Purchaser shall declare this Agreement in writing as Null and Void within five (5) days of receiving written notification from a reputable lender and shall be returned the Deposit immediately thereafter, at which time neither party shall have any course of action against one another at law or in equity against one another under this terms and conditions of this Agreement.

(4) **Title Policy.** An unconditional commitment therefor meeting the requirements of Section 5.B hereof, shall have been issued by the Purchaser's Title Company to Purchaser, provided however, that such condition shall be deemed waived and or satisfied in the event that Seller has performed all of its obligations hereunder with respect to such Title Policy, and such non issuance is the result of any act or failure to act on the part of Purchaser.

(5) **No Termination.** Purchaser shall not have validly terminated this Agreement in accordance with the terms hereof.

(6) **Delivery of Seller's Closing Documents.** Seller shall have delivered to Purchaser all Seller's Closing documents pursuant to Section 14.A hereof.

(7) **Rights of Termination.** In the event that any of the foregoing conditions shall not have been fulfilled or waived on or before the Closing Date, then Purchaser may elect, upon notice to Seller, to terminate this Agreement, in which event the Purchaser shall have the applicable rights available under Section 10.B hereof.

(8) **Documents.** Within ten (10) days of the Agreement Date, Seller shall deliver to Purchaser to the extent available and in the possession of Seller or her agents:

- i. the latest as-built plans or surveys of the Property prepared by a registered and licensed surveyor, if any;
- ii. a list of all service contracts, if any, with respect to the Property;

iii. copies of the latest environmental reports with respect to the Property which are in Seller's possession, if any, which reports shall be deemed confidential information;

iv. copies of the latest title commitment and title policy with respect to the Property, if any;

v. originals, if reasonably available, of the following instruments (or copies if originals are unavailable), all certified by Seller as true and correct to the best knowledge of Seller:

a. all certificates of occupancy, licenses, plans, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Property;

b. All building records, if any, with respect to the Property; and

c. Each bill of current real estate taxes and bills for the past three (3) years, sewer charges and assessments, municipal services and other utilities, together with proof of payment thereof (to the extent the same have been paid).

12. CLOSING.

(A) Closing Date. Closing on the purchase of the Property (the "Closing") shall occur on or before 6 months from date of agreement (herein referred to as the "Closing Date"). Closing shall be held at the Title Company or such other place agreed to by the parties;

(B) Advancing the Closing Date. Purchaser may advance the Closing Date by giving Seller five (5) days prior written notice thereof.

13. APPORTIONMENTS AND TRANSFER TAX.

(A) Apportionments. The following apportionments shall be prorated on a per diem basis as of midnight of the day preceding the Closing Date, all of which, to the extent applicable, shall be reflected on a closing statement (the "Closing Statement") executed by Seller and Purchaser on the Closing Date:

(1) Real Estate Taxes. Real estate taxes shall be apportioned on a per diem basis based on the fiscal or calendar year of each taxing authority.

(2) Water, Sewer and Other Utility Charges. Any water or other utility charges assessed against the Property shall be apportioned on a per diem basis based on the billing cycle of such utility.

(3) Transfer Taxes. Any transfer taxes imposed by any governmental authority upon this transaction shall be shared equally by Seller and Purchaser.

14. CLOSING PROCEDURE.

(A) Seller's Closing Documents. At or before the Closing, Seller shall deliver to Purchaser, or cause to be delivered to Purchaser the following:

(1) A special warranty deed as is customary in the state in which the Property is located duly executed by Seller conveying good and marketable title to the Realty, subject only to the Permitted Exceptions;

(2) A duly executed Assignment in form acceptable to Purchaser's counsel, all of Seller's right, title and interest in and to any Leases, Plans and Incidental Rights;

(3) Originals or copies, if originals are not available, of building permits, licenses, approvals and certificates of occupancy for the Property and all other documents relating to the Property;

(4) Duly executed certificates required by Section 1445 of the Internal Revenue Code that Seller is not a foreign person within the meaning of said Section 1445;

(5) Any other documents, instruments, records, correspondence or agreements called for hereunder which have not previously been delivered to Purchaser and for which Purchaser has made specific demand not less than five (5) days prior to Closing;

(6) Copies of any other prior documents, instruments, records, correspondence or agreements relating to the Property as the Purchaser's title insurer may reasonably require to insure title;

(7) The Closing Statement executed by Seller;

(8) All keys and combinations to the locks on any Building located at the Property;

and

Seller further covenants that it will at any time, from time to time after Closing hereunder, upon request of Purchaser, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, conveyances and assurances as may reasonably be required for the conveying, transferring, assuring and confirming title to the Realty to Purchaser.

(B) **Purchaser's Closing Documents.** At or before the Closing, Purchaser shall deliver or cause to be delivered to Seller, the following:

(1) An assumption of the Incidental Rights;

(2) The balance of the Purchase Price remaining due at time of Closing;

(3) The Closing Statement executed by Purchaser;

(4) Documents of authority of Purchaser authorizing the transactions contemplated by this Agreement; and

(5) Such other instruments and payments may be reasonably required by the Title Company or otherwise reasonably required to consummate the purchase of the Property in accordance with the terms hereof and for which specific demand not less than five (5) days prior to Closing.

(C) **Possession.** Possession of the Property shall be delivered by Seller to Purchaser at Closing.

(D) **Tender.** Formal tender of an executed deed and purchase money is hereby waived.

15. **REAL ESTATE BROKERS.** Seller hereby acknowledges no real estate brokers have participated in this transaction.

16. **BULK SALE.** In the event the sale of the property by the Seller constitutes a "Bulk Sale" under the "Bulk Sale Laws", Seller agrees to comply with said laws and shall give any and all notices to the governmental agencies or authorities required under those certain laws of the Commonwealth of Pennsylvania, in advance of the transfer of the Property by Seller to Purchaser. Seller shall also act in good faith and with reasonable diligence to apply for, obtain and deliver to Purchaser and the Purchaser's Title Company any and all clearance certificates evidencing the payment by Seller of certain taxes, assessments and contributions to the state in which the Property is located as, and to the extent, required by the Bulk Sales Laws at or as soon after the Closing Date as is reasonably possible. The parties acknowledge that, as a result of procedures for the administration of applications for such clearance certificates, and anticipated delays therein, it may not be reasonably possible for Seller to obtain and deliver such clearance certificates as of the Closing Date, or for some period of time thereafter. If any such required clearance certificate is not available at the Closing, the failure to deliver such clearance certificate, and any exception therefore raised by the Title Company, if any, shall not constitute a default by Seller or a deficiency in title provided that Seller provides to the Purchaser's Title Company Seller's written indemnity and escrow for any and all losses resulting from the Bulk Sales Laws in a form and amount reasonably acceptable to Purchaser. Such indemnity shall not expire and the escrow not released unless and until Seller delivers all such required clearance certificates. Purchaser may request and Seller shall provide a written statement by a certified public accountant who has reviewed Seller's financial records verifying Seller's compliance with all required tax filings and payment of all tax liabilities up to and including the date of Settlement. Seller shall promptly provide to Purchaser a copy of any such clearance certificate issued to Seller.

17. **GENERAL PROVISIONS.**

(A) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no other terms, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever, which are not herein referred to or incorporated. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

(B) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and their permitted respective successors and assigns. Purchaser shall have the right on or before the Closing Date to assign its interest hereunder to any person or entity.

(C) Notices. All notices, consents or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered personally; (b) three (3) business days after being mailed by first class certified mail, return receipt requested, postage prepaid; or (c) one (1) business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid, to the parties at the following addresses:

(1) If to Purchaser:

With Copy to:

(2) If to Seller: Main Swetland LLC and/or its assigns

With Copy to: Attorney Samuel A. Falcone Jr.
1170 Highway 315 Ste 1
Plains, PA 18702

Notices may also be given by prepaid telegram or facsimile and shall be effective on the date transmitted if confirmed within twenty (24) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Any party may change its address for notice and the address to which copies must be sent by giving notice of the new address to the other party in accordance with this Section, except that any such change of address notice shall not be effective unless and until received.

(D) Time of the Essence. All times provided for herein are and shall be of the essence of this Agreement and any extension of any such time or times shall continue to be of the essence of this Agreement.

(E) Assignment. Purchaser may assign all his rights and interest in this Agreement to a business entity of his choosing to which he is an owner/member and officer.

(F) Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. Furthermore, if any provision of this Agreement is held to be unenforceable because of the time period of such provision, the court making such determination shall have the power to reduce the time period of such provision to a time period which is enforceable and, in its reduced form, said provision shall then be enforceable.

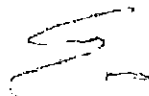
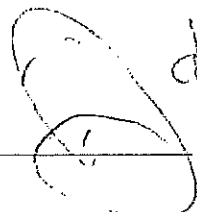
(G) Captions. The section captions contained herein are not a part of this Agreement. They are included solely for the convenience of the parties and do not in any way modify, amplify or give full notice of any of the terms, covenants or conditions of this Agreement.

(H) Construction. This Agreement shall be construed and interpreted in accordance with the laws of the state in which the Property is located without giving effect to the principles of conflict of laws.

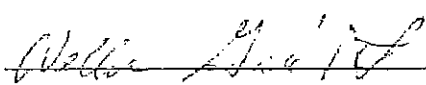
(I) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement. For purposes of this Agreement, a telecopy of an executed counterpart shall constitute an original. Any party delivering an executed counterpart of this Agreement by telecopier shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be duly executed the day and year first above written.

WITNESS:


 9/20/16

SELLER:

 9/20/16

WITNESS:



PURCHASER:

Main Swetland LLC and/or its assigns

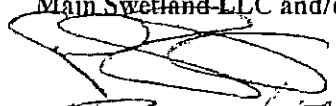

 10/6/16
PC

EXHIBIT "A"

EXHIBIT "B"

TAB 11-B. RDA-300 FORM (SOURCES OF FUNDS)
SITE CONTROL DOCUMENTATION

(Sales Agreement – Parcel 2)

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement") is made this 9th day of September, 2016 (the "Agreement Date"), by and between Steven Green (collectively the "Seller") and Main Swetland LLC and/or its assigns (the "Purchaser").

WITNESSETH

A. Seller is the owner of those certain parcels or tracts of land located at 1148-1150 S. MAIN AVE., Scranton Pennsylvania bearing Tax Map # _____ and more particularly described in the Office of the Recorder of Deeds of Lackawanna County in Deed Book Deed Book _____ at Page _____ which is attached hereto and incorporated herein as Exhibit "A" (the "Land"),

B. Seller desires to sell the Property to Purchaser and Purchaser desires to purchase the Property from Seller upon the terms and conditions set forth herein.

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

1. **SALE OF PREMISES**. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell, transfer and convey to Purchaser and Purchaser hereby agrees to purchase from Seller the following (collectively, the "Property"):

(A) **Realty**. The realty (the "Realty"), including the Land, the Building and other improvements set forth thereon, and all rights and appurtenances pertaining thereto, including but not limited to:

- (1) All right, title and interest, if any, of Seller in and to any land in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land;
- (2) All right, title and interest, if any, of Seller in and to any rights-of-way or rights of ingress or egress on or to any land, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining any part of the Land, any and all awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto by reason of a change of the grade of any such highway, street, road or avenue;
- (3) All right, title and interest, if any, of Seller in and to any easements adjacent to or serving the Realty;
- (4) All sewage treatment capacity, water capacity and other utility capacity allocated by any public or private utility to serve the Realty; and
- (5) Any reversionary rights attributable to Seller with respect to the Realty;
- (6) All right title and interest, if any, of the Seller in and to the following related to the Land: (i) coal and mineral rights; (ii) subsurface rights; (iii) rights of lateral support or so called third estate (the "Subsurface Rights"); and

(B) Plans. All of Seller's right, title and interest in and to all plans, drawings, specifications, surveys, engineering, inspection or similar reports and other technical descriptions relating to the Realty (collectively, the "Plans"), to the extent assignable; and

(1) Government Permits. All governmental permits including, but not limited to all governmental permits, approvals or licenses granted with respect to the ownership, construction, use, occupancy and operation of the Realty to the extent assignable under applicable law (the "Incidental Rights").

2. PURCHASE PRICE. Purchaser shall pay in exchange for the Property the sum of one hundred and eighty thousand and 00/100 Dollars (\$ 180,000.00) (the "Purchase Price") (subject to reimbursements and apportionments as contained herein).

3. MANNER OF PAYMENT OF PURCHASE PRICE. The Purchase Price shall be paid as follows:

(A) Deposit. As of the date of this Agreement executes this Agreement (the "Agreement Date"), Purchaser shall deliver to SELLERS a check in the amount of 1000.00 (one) THOUSAND and 00/100 Dollars (\$ 1,000.00). This Deposit is NON-REFUNDABLE.

(B) Payment of Balance of Purchase Price. At Closing, Purchaser shall pay to Seller the Purchase Price minus the Deposit subject to adjustments and apportionments set forth in this Agreement) by wire transfer of immediately available federal funds. Seller shall deliver to Title Company wiring instructions not later than five (5) days before the Closing Date (as hereinafter defined).

4. INVESTIGATION PERIOD

(A) Investigation. Purchaser shall have a period commencing on the Agreement Date and expiring at five o'clock p.m. 15 calendar days after the Agreement Date (the "Investigation Period") to cause one or more of Purchaser's experts to inspect and otherwise do that which in the opinion of Purchaser is prudent to determine the suitability of the Property for the uses intended by Purchaser (the "Investigation"). This Investigation shall include normal and customary due diligence including but not limited to surveys, title examination, environmental inspections, soil inspections, structural inspections, zoning approvals, subdivision and reverse subdivision approvals (including obtaining approvals for any intended use of the Property by Purchaser) and to determine compliance with applicable governmental laws, rules, regulations, and ordinances. As part of the Investigation, Purchaser shall have the right to cause to be performed such environmental testing or environmental investigation of the Property as Purchaser shall deem necessary by a competent environmental engineer or environmental consultant selected by Purchaser, provided, however, that Purchaser shall not have any right to conduct invasive Phase II testing of soils without the express permission of Seller which shall be conditioned upon Seller's approval of the scope of the Phase II testing plan. Purchaser shall hold Seller harmless and shall indemnify Seller against any and all claims, including costs, fees, expenses and reasonable attorney's fees for or in respect to injuries (including death) or damage of any kind to the person or property of Seller, Purchaser or any other person caused by or in connection with Purchaser's Investigation. However, in the event that such injury, death or damage is caused by the negligent or willful act or omission of Seller or any agent, servant, employee or representative thereof, Seller shall be liable therefor. Purchaser, prior to any entry onto the Property, shall provide Seller with a certificate of insurance from a reputable insurance company covering such indemnification obligations of Purchaser, naming Seller as an additional insured.

(B) Cooperation by Seller. The Seller shall cooperate fully with the Purchaser with respect to the Investigation and shall not act in any manner to hinder, obstruct, delay or prevent the same. The Seller shall deliver to the Purchaser on the Agreement Date copies of all environmental reports, governmental permits and

approvals, evaluations, surveys, analyses, plans, engineering data, review letters, investigations and documents in the Seller's possession and all notes and correspondence related thereto, together with all written consents necessary for Purchaser to use the same. In addition, Seller shall deliver to Purchaser such other information in Seller's possession concerning the Property (including information regarding the construction of the Building on the Property) as may be reasonably requested by Purchaser and Seller can reasonably deliver within three (3) days after request therefore by Purchaser

(C) **Termination Right.** If, at any time prior to the expiration of the Investigation Period, Purchaser determines that it is not satisfied with the results of the Investigation, including, but not limited to any condition unacceptable to Purchaser revealed in a survey, title examination, environmental inspection, soil inspection, structural inspection, as well as the inability to obtain zoning, subdivision and/or reverse subdivision approvals for Purchaser's intended use of the property or the status of any other condition of the Property, whether known or unknown on the Agreement Date, and notifies Seller in writing of its election to terminate this Agreement, this Agreement shall, without any further action by either Purchaser or Seller, become null and void and of no further force and effect, in which event Escrow Agent shall return the Initial Deposit to Purchaser, and all parties to this Agreement shall be released from all further liability or obligation hereunder.

(D) **Option to Extend Investigation Period.** So long as Purchaser is making a good faith effort to obtain the necessary funding for the Property, Purchaser shall have a right to extend the Investigation Period Sixty (60) calendar days so long as at least five (5) days prior to the expiration of the initial One Hundred and Twenty (120) period, Purchaser provides Seller with written notice of its desire to exercise the option to extend.

5. **TITLE/SURVEY.**

(A) **Title Report/Survey.** Seller shall deliver to Purchaser the most recent copy of the survey of the Property (the "Survey"), if any, is in the possession of Seller. A search of title to the Property shall be promptly made by a Pennsylvania licensed title insurer of Purchaser's choice, and upon receipt of the title commitment (the "Title Report"), Purchaser shall furnish Seller a copy thereof, together with copies of any matters which are listed as exceptions on the Title Report. Simultaneously, with the delivery of the Title Report to Seller, Purchaser shall notify Seller in writing of any exceptions appearing on the Title Report or matters shown on the updated Survey which are unsatisfactory to Purchaser (the "Title Objections"). Within ten (10) days after receipt of the Title Objections, the Seller shall notify the Purchaser in writing of which Title Objections, if any, that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy (the "Seller's Title Response"). Within ten (10) days after receipt of the Seller's Title Response, the Purchaser shall either: (i) waive such Title Objections as Seller is unable or unwilling to cure or cause to be removed as an exception to Purchaser's title policy, or (ii) terminate this Agreement by giving written notice thereof to Seller, in which event the Escrow Agent shall refund the Deposit to the Purchaser, this Agreement shall be null and void, and neither of the parties shall have any further obligations or liability under this Agreement. If Purchaser fails to terminate this Agreement pursuant to the preceding sentence, Purchaser shall be deemed to have waived any Title Objections which Seller has expressly stated in Seller's Title Response that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy. Notwithstanding the foregoing, Seller shall, at Closing, have an affirmative obligation to cure and remove all monetary liens or encumbrances which are recorded against the Property, including, but not limited to, mortgages or other liens securing financing, mechanics liens, judgments and delinquent taxes, assessments and sewer and water charges.

(B) **Status of Title.** The Property (exclusive of the Subsurface Rights) is to be conveyed to Purchaser free and clear of all liens, encumbrances, easements, restrictions and agreements excepting with respect to the Realty only the Permitted Exceptions (hereinafter defined). With the exception of the Permitted Exceptions, and the Subsurface Rights, title to the Realty shall be good and marketable and such as will be insured by a licensed Pennsylvania title insurer at its regular rates for regular risks pursuant to the standard

stipulations and conditions of the most current version of an ALTA policy of owner's title insurance. Seller shall furnish such customary title affidavits and other documents as the Title Company may require for the removal of standard title objections. "Permitted Exceptions" as used herein shall mean the following:

(1) Any exceptions originally appearing in the Title Report which are not objected to in writing by the Purchaser to the Seller or which are objected to, but such objection is thereafter waived in writing by the Purchaser or deemed waived pursuant to Section 5.A above.

(C) Inability to Convey Title. If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, Purchaser shall have the option:

(1) Of taking such title to the Property as Seller is able to convey, with abatement of the Purchase Price in the amount (fixed or ascertainable) of any liens or encumbrances on the Property; or

(2) Of terminating Purchaser's obligations under this Agreement and having the Deposit returned to Purchaser, in which event this Agreement shall be null and void and neither party shall have any further obligations hereunder.

(3) Notwithstanding the foregoing, if title to the Realty is not as described in Section 5.B hercof by reason of any willful act or omission of Seller subsequent to the Agreement Date, or by reason of the failure of Seller to pay or discharge any monetary liens, the same shall constitute a breach by Seller and Purchaser shall be entitled to pursue all remedies available to Purchaser at law or in equity.

6. COVENANTS OF SELLER. Seller covenants that it will:

(A) Inspection. Prior to the Closing Date, permit Purchaser and Purchaser's agents and employees to inspect the Property from time to time at reasonable times for the investigation including the performance of environmental testing and investigations.

(B) Lease. Without the prior written consent of Purchaser, not enter into any contract, lease, easement, license or other Agreement affecting or encumbering the Property which cannot be terminated at Closing without charge, cost, penalty or permission;

(C) Creation of Title Imperfections. Other than the Permitted Exceptions, between the Agreement Date and the Closing Date, not permit any liens, easements, encumbrances or other clouds on the title to the Realty to be created (the "Title Imperfections"). If Seller creates or permits any Title Imperfections to be created in violation hereof, Seller shall promptly remove them prior or on the Closing Date;

(D) Satisfaction of Liens. Prior to or at Closing, satisfy any liens or encumbrances which exist against the Property on the Closing Date which may be satisfied by the payment of money, either by such payment or by depositing in escrow with the Title Company so much of the Purchase Price as will cause Purchaser's title insurer to insure Purchaser against any loss which is caused to Purchaser because of the existence of such liens or encumbrances;

(E) Notice of Suits. Promptly deliver to Purchaser copies of any written notice received by Seller regarding all actions, suits or other proceedings affecting the Property, or the use, possession or occupancy thereof, which may adversely affect Purchaser or the Property;

(F) Environmental and Other Notices. Promptly deliver to Purchaser copies of written notices received by Seller of releases of hazardous substances or actual or threatened condemnation of the Property, or any portion thereof, given Seller on behalf of any federal, state or local agency;

(G) Taxes. Timely and properly file all state and federal tax reports and pay all taxes due when and as required which are not being disputed or contested in good faith;

7. REPRESENTATIONS AND WARRANTIES.

(A) Representations and Warranties of Seller. In order to induce Purchaser to enter into this Agreement and with full knowledge that Purchaser is relying thereon, Seller hereby warrants and represents to Purchaser as follows:

(1) Power to Perform. Seller has full power and authority to enter into and fulfill Seller's obligations under this Agreement. The execution of this Agreement by Seller constitutes a valid and binding obligation of Seller in accordance with its terms and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. All documents executed by Seller which are to be delivered to Purchaser at the Closing will be executed and delivered by Seller and will be legal, valid and binding obligations of Seller, and will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(2) Accuracy of Documentation. All books and records or other documentation delivered to Purchaser pursuant to this Agreement or in connection with the execution hereof are, to the best of Seller's knowledge, true, complete and correct copies. Prior to the expiration of the Investigation Period, Seller will, or shall have delivered to Purchaser, all documents and information relating to the Property of which Seller has knowledge which have or may have any material economic impact on the transaction contemplated hereby or on the operation and condition of the Property.

(3) Contracts. There are not now, nor will there be on the Closing Date, any contracts or agreements (including, without limitation service contracts and/or management agreements), written or oral, to which Seller is a party which affect the Property other than those attached hereto and made a part hereof as Exhibit "B". All amounts due under any such contracts for any work or improvements respecting the Property shall have been paid by Seller on or prior to the Closing Date. (From the Agreement Date through the Closing Date, Seller shall not modify or terminate any of said contracts without Purchaser's prior written consent).

(4) Leases. There are no oral or written leases or rights of occupancy for any portion of the Property other than those set forth in Exhibit "B"

(5) Zoning Classification. The current zoning classification of the Realty is commercial under the applicable zoning ordinance.

(6) Assessed Valuation. There is no proceeding pending for the adjustment of the assessed valuation of all or any portion of the Property; there is no abatement in effect with respect to all or any portion of the real estate taxes; the real estate tax bills furnished by Seller to Purchaser are accurate and complete copies of all bills for taxes levied against or on account of the Property or any rent or income from the Property for the last three (3) full calendar years to the extent available, and for the current calendar year to date.

(7) Assessments. Seller has received no notice of any pending special assessment with respect to any portion of the Property, or become aware of any special assessment being contemplated. Any special municipal assessments levied between the Agreement Date and the Closing Date shall be paid by Seller.

(8) **Condemnation.** There is no condemnation proceeding with regard to the Property and Seller does not know of any proposed condemnation proceeding with regard to all or any portion of the Property.

(9) **Litigation.** There is not now any action, proceeding, litigation or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Property, or any basis therefor, that arises out of the ownership of the Property or that may affect the use, occupancy or operation of the Property for its present purpose or the value of the Property, or affect the ability of Seller to perform its obligation under this Agreement, or which questions the validity or enforceability of this Agreement.

(10) **Foreign Person.** Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code.

(11) **Environmental Matters.**

(1) Seller has no knowledge of the application, use, treatment, production, generation, discharge, disposal, release or storage on, from or onto the Property, or any lot or property adjacent thereto, of any Hazardous Material (as hereinafter defined). "Hazardous Material" as used herein means and includes any petroleum, hazardous, toxic or dangerous waste, substance or material defined as such in, or for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, any so called "superfund or superlien" law or any other federal, state or local statute, law, ordinance, code, rule, regulations, order, decree or other requirement of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now in effect and applicable to the Property. To the best of Seller's knowledge, the Building and all other improvements and fixtures constituting any portion of the Property do not contain any hazardous building materials or toxic substances including without limitation, friable asbestos or any other substance containing asbestos and being hazardous by federal or state regulations regulating such material, lead-based paints or PCBs except to the extent permitted by applicable laws. Seller has no knowledge of any underground storage tanks at the Property. If any Hazardous Material is discovered at the Property in violation of applicable law prior to the Closing Date and Seller does not agree to remedy such condition to Purchaser's reasonable satisfaction at Seller's sole cost, Purchaser shall have the right to terminate this Agreement by written notice to Seller and to be refunded the Deposit.

(2) Purchaser agrees that it will not with respect to the Property prior to the applicable Closing Date report to, notify or otherwise communicate with the United States Environmental Protection Agency ("EPA") or the Pennsylvania Department of Environmental Protection ("DEP") or any other party regarding any activities or conditions relating to the condition of the Property without the prior knowledge and consent of the Seller, unless:

i. An activity or condition related to the Property presents an emergency or imminent hazard to human health or the environment and notification by the Purchaser to EPA or DEP is required by applicable law; and

ii. The Purchaser is unable to contact the Seller within the time required by law for the Purchaser to give such notice to EPA or DEP.

(12) **Notices.** Seller has not received and has no actual knowledge of any notices of any violation of any law, order or requirement issued by any municipal or other public authority against or affecting all or any portion of the Property with regard to any work or improvements done or ordered by such authority to be done either before or after the Agreement Date. Seller has not received and has no actual

knowledge of any notice or request from any insurance company or board of insurance underwriters (or similar organization) requesting the performance of any work or the correction of any conditions concerning the Property.

(13) Utilities. The Property is serviced by public water, sewer, gas and electric.

(14) Governmental Certificates. All certificates of occupancy necessary for operation of the Property as presently conducted, have been issued by all authorities having jurisdiction thereof and all such certificates of occupancy are in full force and effect. Seller has not received any written notice of suspension or cancellation of any certificate of occupancy;

(15) Historic Property. The Property has not been registered or certified as "historic" by any local, state or federal government entity or historic commission;

(16) Public Roads. All roads abutting the Property are dedicated public roads and a Deed to be delivered to Purchaser at Closing hereunder is the only instrument necessary to convey to Purchaser all rights appurtenant to the Property in such roads;

(17) Fee Ownership. Seller holds, or at the time of Closing will hold, for simple title to the Property.

(B) Representations and Warranties of Purchaser. In order to induce Seller to enter into this Agreement, and with full knowledge that Seller is relying thereon, Purchaser hereby warrants and represents to Seller as follows: (i) this Agreement is duly authorized, executed and delivered by Purchaser, constitutes the legal and valid binding obligation of Purchaser, and does not violate any provision of any agreement or judicial order to which Purchaser is a party or to which it is subject; (ii) all documents executed by Purchaser which are to be delivered to Seller at the Closing will be duly authorized, executed and delivered by Purchaser, and will not violate any provisions of any agreement or judicial order to which Purchaser is a party or to which it is subject; (iii) that Purchaser shall provide truthful and complete information to any prospective lending institution in connection with any application for financing of the Purchase Price; (iv) that Purchaser's obligations under this Agreement are not conditioned or contingent upon the sale of any real or personal property that is not the subject of this Agreement.

(C) Representations and Warranties to Survive Closing. Each of the representations and warranties of the respective parties contained herein or made in writing pursuant to this Agreement, shall be true and correct as of the Agreement Date and as of the Closing Date and shall survive the execution and delivery of this Agreement and Closing.

8. FIRE OR OTHER CASUALTY. Seller shall maintain in effect until the Closing Date the insurance policies now in effect with respect to the Property. If on or prior to the Closing Date any portion of the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, Seller shall immediately give written notice thereof with specificity to Purchaser, and Purchaser shall have the right, at its sole option, of terminating this Agreement and being released from all liabilities and obligations hereunder, in which event the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of such damage. If notice of such damage is received by Purchaser and Purchaser fails to deliver written notice to Seller of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser does not terminate this Agreement, the proceeds of any insurance paid between the Agreement Date and the Closing Date, not utilized to repair and restore the Realty or other Property, shall be paid to Purchaser on the Closing Date, together with the deductible amount, if any, under Seller's casualty

insurance policy and Seller shall assign to Purchaser all rights Seller has to any future insurance proceeds arising from such casualty, without in any manner affecting the Purchase Price.

9. **CONDEMNATION.** If on or prior to the Closing Date, all or any portion of the Property is taken by eminent domain or a notice of any eminent domain proceeding with respect to the Property or any part thereof is received by Seller, Seller shall immediately give written notice thereof with specificity to Purchaser. If such taking adversely affects the Property in the sole determination of Purchaser, Purchaser shall have the option to complete the purchase hereunder, or terminate this Agreement, in which event this Agreement shall be null and void and the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of eminent domain proceedings. If notice of condemnation is received by Purchaser and Purchaser fails to deliver written notice of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser elects (or is deemed to have elected) to complete the purchase of the Property hereunder, the purchase shall be completed in accordance with this Agreement, except at the Closing Seller shall pay, assign and transfer to Purchaser all proceeds from such proceedings theretofore received by Seller with regard to the Property and all rights Seller has to any future proceeds of such eminent domain proceedings with regard to the Property, without in any manner affecting the Purchase Price.

10. **DEFAULT.**

(A) **Purchaser's Default.** Should Purchaser default under any of the terms, covenants or conditions of this Agreement, provided Seller is not in default hereunder, Seller shall have as its sole and exclusive remedy, the right to terminate to receive the entire Deposit as liquidated damages and not as a penalty, such being agreed between Purchaser and Seller to be a necessary condition to this Agreement in order to compensate Seller for expenses and expenditures incurred and made in connection therewith and the damages sustained as a result of withdrawing the Property from the market and otherwise for Purchaser's non-compliance with this Agreement. Thereupon, this Agreement shall become null and void and of no further force and effect and neither party shall have any further rights, liabilities or obligations hereunder.

(B) **Seller's Default.**

(1) **Seller's Inability to Convey Title.** If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, then, except as set forth in Section 5.C(3) hereof, Purchaser's only remedy shall be to terminate this Agreement by giving written notice to Seller on or before the Closing Date. Purchaser may, nevertheless, accept such title as Seller shall be able to convey in accordance with Section 5.C(1) hereof.

(2) **Breach of Representation, Warranty or Covenant.** If Purchaser has actual knowledge prior to the Closing Date that any of the representations and warranties of Seller are not true and correct or have otherwise been breached or that any of Seller's covenants have been breached, then, except as provided in Section 10.B(3) hereof, Purchaser's sole remedy shall be to terminate this Agreement by giving written notice of such termination to Seller on or before the Closing Date.

(3) **Seller's Intentional Breach.** Notwithstanding anything to the contrary contained in Sections 10.B(1) and 10.B(2) hereof, if Seller's breach of this Agreement results from Seller's intentional default under any of the terms, covenants or conditions of this Agreement, including any intentional breach of a covenant, representation or warranty, Purchaser shall be entitled to pursue all of its rights and remedies at law or in equity, including, without limitation, specific performance. The exercise of (or failure to exercise) any one of Purchaser's rights or remedies under this Subsection shall not be deemed to be in lieu of, or a waiver of, any other right or remedy contained herein.

11. CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATION.

(A) Conditions Precedent. The obligation of Purchaser to complete Closing hereunder in accordance with this Agreement is contingent upon satisfaction of each of the following conditions (any of which may be waived in whole or in part by Purchaser on or prior to the Closing Date):

(1) Compliance with Covenants. All of the covenants and agreements to be performed by Seller on or prior to the Closing Date under the terms of this Agreement shall have been so performed by Seller.

(2) Seller's Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all respects on the Closing Date as though made on the Closing Date.

(3) Financing. The purchase/sale of the Property is contingent upon the Purchaser or his assignee obtaining financing for the Property in an amount not less than ONE HUNDRED FIFTY THOUSAND and 00/100 Dollars (\$150,000.00). Purchaser has 120 days from date of agreement to obtain financing. In the event Purchaser is not able to obtain financing for the acquisition of the Property and Assets, Purchaser shall declare this Agreement in writing as Null and Void within five (5) days of receiving written notification from a reputable lender and shall be returned the Deposit immediately thereafter, at which time neither party shall have any course of action against one another at law or in equity against one another under this terms and conditions of this Agreement.

(4) Title Policy. An unconditional commitment therefor meeting the requirements of Section 5.B hereof, shall have been issued by the Purchaser's Title Company to Purchaser, provided however, that such condition shall be deemed waived and or satisfied in the event that Seller has performed all of its obligations hereunder with respect to such Title Policy, and such non issuance is the result of any act or failure to act on the part of Purchaser.

(5) No Termination. Purchaser shall not have validly terminated this Agreement in accordance with the terms hereof.

(6) Delivery of Seller's Closing Documents. Seller shall have delivered to Purchaser all Seller's Closing documents pursuant to Section 14.A hereof.

(7) Rights of Termination. In the event that any of the foregoing conditions shall not have been fulfilled or waived on or before the Closing Date, then Purchaser may elect, upon notice to Seller, to terminate this Agreement, in which event the Purchaser shall have the applicable rights available under Section 10.B hereof.

(8) Documents. Within ten (10) days of the Agreement Date, Seller shall deliver to Purchaser to the extent available and in the possession of Seller or her agents:

- i. the latest as-built plans or surveys of the Property prepared by a registered and licensed surveyor, if any;
- ii. a list of all service contracts, if any, with respect to the Property;

iii. copies of the latest environmental reports with respect to the Property which are in Seller's possession, if any, which reports shall be deemed confidential information;

iv. copies of the latest title commitment and title policy with respect to the Property, if any;

v. originals, if reasonably available, of the following instruments (or copies if originals are unavailable), all certified by Seller as true and correct to the best knowledge of Seller:

a. all certificates of occupancy, licenses, plans, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Property;

b. All building records, if any, with respect to the Property; and

c. Each bill of current real estate taxes and bills for the past three (3) years, sewer charges and assessments, municipal services and other utilities, together with proof of payment thereof (to the extent the same have been paid).

12. CLOSING.

(A) Closing Date. Closing on the purchase of the Property (the "Closing") shall occur on or before 6 months from date of agreement (herein referred to as the "Closing Date"). Closing shall be held at the Title Company or such other place agreed to by the parties;

(B) Advancing the Closing Date. Purchaser may advance the Closing Date by giving Seller five (5) days prior written notice thereof.

13. APPORTIONMENTS AND TRANSFER TAX.

(A) Apportionments. The following apportionments shall be prorated on a per diem basis as of midnight of the day preceding the Closing Date, all of which, to the extent applicable, shall be reflected on a closing statement (the "Closing Statement") executed by Seller and Purchaser on the Closing Date:

(1) Real Estate Taxes. Real estate taxes shall be apportioned on a per diem basis based on the fiscal or calendar year of each taxing authority.

(2) Water, Sewer and Other Utility Charges. Any water or other utility charges assessed against the Property shall be apportioned on a per diem basis based on the billing cycle of such utility.

(3) Transfer Taxes. Any transfer taxes imposed by any governmental authority upon this transaction shall be shared equally by Seller and Purchaser.

14. CLOSING PROCEDURE.

(A) Seller's Closing Documents. At or before the Closing, Seller shall deliver to Purchaser, or cause to be delivered to Purchaser the following:

(1) A special warranty deed as is customary in the state in which the Property is located duly executed by Seller conveying good and marketable title to the Realty, subject only to the Permitted Exceptions;

(2) A duly executed Assignment in form acceptable to Purchaser's counsel, all of Seller's right, title and interest in and to any Leases, Plans and Incidental Rights;

(3) Originals or copies, if originals are not available, of building permits, licenses, approvals and certificates of occupancy for the Property and all other documents relating to the Property;

(4) Duly executed certificates required by Section 1445 of the Internal Revenue Code that Seller is not a foreign person within the meaning of said Section 1445;

(5) Any other documents, instruments, records, correspondence or agreements called for hereunder which have not previously been delivered to Purchaser and for which Purchaser has made specific demand not less than five (5) days prior to Closing;

(6) Copies of any other prior documents, instruments, records, correspondence or agreements relating to the Property as the Purchaser's title insurer may reasonably require to insure title;

(7) The Closing Statement executed by Seller;

(8) All keys and combinations to the locks on any Building located at the Property;

and

Seller further covenants that it will at any time, from time to time after Closing hereunder, upon request of Purchaser, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, conveyances and assurances as may reasonably be required for the conveying, transferring, assuring and confirming title to the Realty to Purchaser.

(B) **Purchaser's Closing Documents.** At or before the Closing, Purchaser shall deliver or cause to be delivered to Seller, the following:

(1) An assumption of the Incidental Rights;

(2) The balance of the Purchase Price remaining due at time of Closing;

(3) The Closing Statement executed by Purchaser;

(4) Documents of authority of Purchaser authorizing the transactions contemplated by this Agreement; and

(5) Such other instruments and payments may be reasonably required by the Title Company or otherwise reasonably required to consummate the purchase of the Property in accordance with the terms hereof and for which specific demand not less than five (5) days prior to Closing.

(C) **Possession.** Possession of the Property shall be delivered by Seller to Purchaser at Closing.

(D) **Tender.** Formal tender of an executed deed and purchase money is hereby waived.

15. **REAL ESTATE BROKERS.** Seller hereby acknowledges no real estate brokers have participated in this transaction.

16. **BULK SALE.** In the event the sale of the property by the Seller constitutes a "Bulk Sale" under the "Bulk Sale Laws", Seller agrees to comply with said laws and shall give any and all notices to the governmental agencies or authorities required under those certain laws of the Commonwealth of Pennsylvania, in advance of the transfer of the Property by Seller to Purchaser. Seller shall also act in good faith and with reasonable diligence to apply for, obtain and deliver to Purchaser and the Purchaser's Title Company any and all clearance certificates evidencing the payment by Seller of certain taxes, assessments and contributions to the state in which the Property is located as, and to the extent, required by the Bulk Sales Laws at or as soon after the Closing Date as is reasonably possible. The parties acknowledge that, as a result of procedures for the administration of applications for such clearance certificates, and anticipated delays therein, it may not be reasonably possible for Seller to obtain and deliver such clearance certificates as of the Closing Date, or for some period of time thereafter. If any such required clearance certificate is not available at the Closing, the failure to deliver such clearance certificate, and any exception therefore raised by the Title Company, if any, shall not constitute a default by Seller or a deficiency in title provided that Seller provides to the Purchaser's Title Company Seller's written indemnity and escrow for any and all losses resulting from the Bulk Sales Laws in a form and amount reasonably acceptable to Purchaser. Such indemnity shall not expire and the escrow not released unless and until Seller delivers all such required clearance certificates. Purchaser may request and Seller shall provide a written statement by a certified public accountant who has reviewed Seller's financial records verifying Seller's compliance with all required tax filings and payment of all tax liabilities up to and including the date of Settlement. Seller shall promptly provide to Purchaser a copy of any such clearance certificate issued to Seller.

17. **GENERAL PROVISIONS.**

(A) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no other terms, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever, which are not herein referred to or incorporated. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

(B) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and their permitted respective successors and assigns. Purchaser shall have the right on or before the Closing Date to assign its interest hereunder to any person or entity.

(C) **Notices.** All notices, consents or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered personally; (b) three (3) business days after being mailed by first class certified mail, return receipt requested, postage prepaid; or (c) one (1) business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid, to the parties at the following addresses:

(1) If to Purchaser:

With Copy to:

(2) If to Seller: Main Swetland LLC and/or its assigns

With Copy to: Attorney Samuel A. Falcone Jr.
1170 Highway 315 Ste 1
Plains, PA 18702

Notices may also be given by prepaid telegram or facsimile and shall be effective on the date transmitted if confirmed within twenty (24) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Any party may change its address for notice and the address to which copies must be sent by giving notice of the new address to the other party in accordance with this Section, except that any such change of address notice shall not be effective unless and until received.

(D) **Time of the Essence.** All times provided for herein are and shall be of the essence of this Agreement and any extension of any such time or times shall continue to be of the essence of this Agreement.

(E) **Assignment.** Purchaser may assign all his rights and interest in this Agreement to a business entity of his choosing to which he is an owner/member and officer.

(F) **Severability.** If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. Furthermore, if any provision of this Agreement is held to be unenforceable because of the time period of such provision, the court making such determination shall have the power to reduce the time period of such provision to a time period which is enforceable and, in its reduced form, said provision shall then be enforceable.

(G) **Captions.** The section captions contained herein are not a part of this Agreement. They are included solely for the convenience of the parties and do not in any way modify, amplify or give full notice of any of the terms, covenants or conditions of this Agreement.

(H) **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the state in which the Property is located without giving effect to the principles of conflict of laws.

(I) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement. For purposes of this Agreement, a telecopy of an executed counterpart shall constitute an original. Any party delivering an executed counterpart of this Agreement by telecopier shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be duly executed the day and year first above written.

WITNESS:

SELLER:

9-9-2016 Stacy D. Greese 9-9-2016 Stacy Greese

WITNESS:

PURCHASER:

Main Sweetland LLC and/or its assigns

[Signature]

[Signature]

EXHIBIT "A"

EXHIBIT "B"

AMENDMENT TO AGREEMENT OF SALE

THIS AMENDMENT TO AGREEMENT OF SALE, ("Amendment") made this Feb., 2017 by and between by and between STEVE GREENE with a business address of 1148-50 MAIN AVE Pennsylvania, (hereinafter called "Seller"); MAIN SWETLAND, LLC with an address 170 South Highland Drive, Jenkins Township, Pennsylvania (hereinafter called the "Buyer")

WITNESSETH:

WHEREAS, Seller and Assignor entered into an Agreement of Sale dated MAY 1ST ("Agreement") for the property located at 1148-50 Main Avenue, Scranton, Lackawana County, Pennsylvania (hereinafter called "Premises"); and

WHEREAS, the Parties desire to amend the Agreement to extend the Investigation Period and Closing Date as Defined Agreement.

Now Therefore, in consideration of the mutual promises and covenants contained in this Amendment to Agreement of Sale, and for other good and valuable consideration, the parties agree as follows:

- I. The Agreement is hereby amended as follows

Paragraph 4. INVESTIGATION PERIOD is hereby amended as follows:

- a. Investigation. Purchaser shall have a period commencing on the Date of this Amendment and expiring at five o'clock p.m. on the One Hundred Twentieth (120th) calendar day after the Agreement Date (the "Investigation Period") to cause one or more of Purchaser's experts to inspect and otherwise do that which in the opinion of Purchaser is prudent to determine the suitability of the Property for the uses intended by Purchaser (the "Investigation"). The Investigation Period may be extended by Purchaser by sending written Notice to Seller of Purchaser's desire to extend said Investigation Period for up to Ninety (90) days. This Investigation shall include normal and customary due diligence including but not limited to surveys, title examination, environmental inspections, soil inspections, structural inspections, zoning approvals, subdivision and reverse subdivision approvals (including obtaining approvals for any intended use of the Property by Purchaser) and to determine compliance with applicable governmental laws, rules, regulations, and ordinances. As part of the Investigation, Purchaser shall have the right to cause to be performed such environmental testing or environmental investigation of the Property as Purchaser shall deem necessary by a competent environmental engineer or environmental consultant selected by Purchaser, provided, however, that Purchaser shall not have any right to conduct invasive Phase II testing of soils without the express permission of Seller which shall be conditioned upon Seller's approval of the scope of the Phase II testing plan. Purchaser shall hold Seller harmless and shall indemnify Seller against any and all claims, including costs, fees, expenses and reasonable attorney's fees for or in respect to injuries (including death) or damage of any kind to the person or property of Seller, Purchaser or any other person caused by or in connection with Purchaser's Investigation. However, in the event that such injury, death or damage is caused by the negligent or willful act or omission of Seller

or any agent, servant, employee or representative thereof, Seller shall be liable therefor. Purchaser, prior to any entry onto the Property, shall provide Seller with a certificate of insurance from a reputable insurance company covering such indemnification obligations of Purchaser, naming Seller as an additional insured.

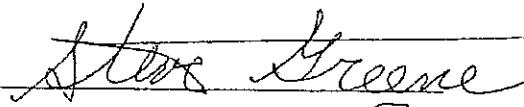
Paragraph 12 of the Agreement is hereby amended and restated as follows:

(A) Closing Date. Closing on the purchase of the Property (the "Closing") shall occur Thirty (30) days from the date of the Expiration of the Inspection Period (herein referred to as the "Closing Date"). Closing shall be held at the Title Company or such other place agreed to by the parties;

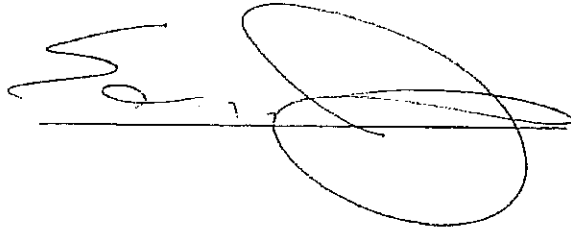
2. Except as expressly amended, or necessarily effected by reason of this Amendment, all other provisions of the Agreement shall remain in full force and effect.
3. The Agreement and this Amendment shall be binding upon and inure to the benefit of the respective successors, and assigns of both Buyer and Seller.
4. This Amendment may be simultaneously executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, electronic signatures shall also be deemed as original signatures.
5. This Amendment shall be governed by the laws of the Commonwealth of Pennsylvania.
6. The Agreement and Amendment constitute the entire understanding and agreement between and among the parties and supersede all prior written and all contemporaneous oral agreements or understandings between the parties with respect to the subject matter hereof. No variation of the terms and conditions of the Amendment shall be effective unless in writing and approved in accordance with the provisions of the Agreement.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have signed and sealed this Agreement on the date first written above.

SELLER:


Print Name: Steve Greene

BUYER:
MAIN SWETLAND, LLC

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned below the printed buyer information.

\$1100

779,000

TAB 11-B. RDA-300 FORM (SOURCES OF FUNDS)

SITE CONTROL DOCUMENTATION

(Sales Agreement – Parcel 3)

AGREEMENT OF SALE

THIS AGREEMENT OF SALE (the "Agreement") is made this ____ day of November, 2016 (the "Agreement Date"), by and between ~~Welsh Calvinistic Methodist Church~~ of 1132 South Main Avenue, Scranton, Pennsylvania (collectively the "Seller") and Main Sweetland, LLC of 170 South Highland Drive, Jenkins Township, Pennsylvania (the "Purchaser"). *BETHEL BAPTIST RH*

WITNESSETH

A. Seller is the owner of those certain parcels or tracts of land located at ~~1139~~ *1132 RH* South Main Avenue, Scranton, Pennsylvania as more particularly described in that certain deed of record in the Office of the Recorder of Deeds of Lackawanna County at Instrument Number _____ which is attached hereto and incorporated herein as Exhibit "A" (the "Land"), which Land is a part of the Property (hereinafter defined). The Land is improved with building consisting of approximately 4,922 +/- square feet (the "Building").

B. Seller desires to sell the Property to Purchaser and Purchaser desires to purchase the Property from Seller upon the terms and conditions set forth herein.

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

1. SALE OF PREMISES. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell, transfer and convey to Purchaser and Purchaser hereby agrees to purchase from Seller the following (collectively, the "Property"):

(A) Realty. The realty (the "Realty"), including the Land, the Building and other improvements set forth thereon, and all rights and appurtenances pertaining thereto, including but not limited to:

(1) All right, title and interest, if any, of Seller in and to any land in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Land;

(2) All right, title and interest, if any, of Seller in and to any rights-of-way or rights of ingress or egress on or to any land, street, road or avenue, open or proposed, in, on, across, in front of, abutting or adjoining any part of the Land, any and all awards made, or to be made in lieu thereof, and in and to any unpaid awards for damage thereto by reason of a change of the grade of any such highway, street, road or avenue;

(3) All right, title and interest, if any, of Seller in and to any easements adjacent to or serving the Realty;

(4) Any reversionary rights attributable to Seller with respect to the Realty;

(5) Government Permits. All governmental permits including, but not limited to all governmental permits, approvals or licenses granted with respect to the ownership, construction, use, occupancy and operation of the Realty to the extent assignable under applicable law (the "Incidental Rights").

2. PURCHASE PRICE. Purchaser shall pay in exchange for the Property the sum of Eighty-Seven Thousand Five Hundred and 00/100 Dollars (\$87,500.00) (the "Purchase Price") (subject to reimbursements and apportionments as contained herein).

3. **MANNER OF PAYMENT OF PURCHASE PRICE.** The Purchase Price shall be paid as follows:

(A) **Deposit.** As of the date of this Agreement executes this Agreement (the "Agreement Date"), Purchaser shall delivered to Wetzel Abstract, LLC as escrow agent (the "Escrow Agent"), a check in the amount of Five Hundred and 00/100 Dollar (\$500.00) to be held by Escrow Agent in a non-interest bearing account until the consummation or termination of this Agreement (the "Deposit"). Except as otherwise provided in this Agreement, at the Closing (as hereinafter defined), the Escrow Agent shall pay the Deposit to the title company which insures the title to the Realty for Purchaser (the "Title Company") to be used by the Title Company, together with other funds delivered to it by Purchaser, to pay the Purchase Price to Seller.

(B) **Payment of Balance of Purchase Price.** At Closing, Purchaser shall pay to Seller the Purchase Price (subject to adjustments and apportionments set forth in this Agreement) by wire transfer of immediately available federal funds. Seller shall deliver to Title Company wiring instructions not later than five (5) days before the Closing Date (as hereinafter defined).

4. **INVESTIGATION PERIOD.**

(A) **Investigation.** Purchaser shall have a period commencing on the Agreement Date and expiring at five o'clock p.m. on the One Hundred Fiftieth (150th) calendar day after the Agreement Date (the "Investigation Period") to cause one or more of Purchaser's experts to inspect and otherwise do that which in the opinion of Purchaser is prudent to determine the suitability of the Property for the uses intended by Purchaser (the "Investigation"). The Investigation Period may be extended by Purchaser by sending written Notice to Seller of Purchaser's desire to extend said Investigation Period for up to Ninety (90) days. This Investigation shall include normal and customary due diligence including but not limited to surveys, title examination, environmental inspections, soil inspections, structural inspections, zoning approvals, subdivision and reverse subdivision approvals (including obtaining approvals for any intended use of the Property by Purchaser) and to determine compliance with applicable governmental laws, rules, regulations, and ordinances. As part of the Investigation, Purchaser shall have the right to cause to be performed such environmental testing or environmental investigation of the Property as Purchaser shall deem necessary by a competent environmental engineer or environmental consultant selected by Purchaser, provided, however, that Purchaser shall not have any right to conduct invasive Phase II testing of soils without the express permission of Seller which shall be conditioned upon Seller's approval of the scope of the Phase II testing plan. Purchaser shall hold Seller harmless and shall indemnify Seller against any and all claims, including costs, fees, expenses and reasonable attorney's fees for or in respect to injuries (including death) or damage of any kind to the person or property of Seller, Purchaser or any other person caused by or in connection with Purchaser's Investigation. However, in the event that such injury, death or damage is caused by the negligent or willful act or omission of Seller or any agent, servant, employee or representative thereof, Seller shall be liable therefor. Purchaser, prior to any entry onto the Property, shall provide Seller with a certificate of insurance from a reputable insurance company covering such indemnification obligations of Purchaser, naming Seller as an additional insured.

(B) **Cooperation by Seller.** The Seller shall cooperate fully with the Purchaser with respect to the Investigation and shall not act in any manner to hinder, obstruct, delay or prevent the same. The Seller shall deliver to the Purchaser on the Agreement Date copies of all environmental reports, governmental permits and approvals, evaluations, surveys, analyses, plans, engineering data, review letters, investigations and documents, if any, in the Seller's possession and all notes and correspondence related thereto, together with all written consents necessary for Purchaser to use the same. In addition, Seller shall deliver to Purchaser such other information in Seller's possession concerning the Property (including information regarding the construction of the Building on the Property) as may be reasonably requested by Purchaser and Seller can reasonably deliver within three (3) days after request therefore by Purchaser

(C) **Termination Right.** If, at any time prior to the expiration of the Investigation Period, Purchaser determines that it is not satisfied with the results of the Investigation, including, but not limited to any condition unacceptable to Purchaser revealed in a survey, title examination, environmental inspection, soil inspection, structural inspection, as well as the inability to obtain zoning, subdivision and/or reverse subdivision approvals for Purchaser's intended use of the property or the status of any other condition of the Property, whether known or unknown on the Agreement Date, and notifies Seller in writing of its election to terminate this Agreement, this Agreement shall, without any further action by either Purchaser or Seller, become null and void and of no further force and effect, in which event Escrow Agent shall return the Initial Deposit to Purchaser, and all parties to this Agreement shall be released from all further liability or obligation hereunder.

(D) It is expressly understood between the parties that the Property will be inspected by Purchaser or Purchaser's agent and that the Property is being purchased "AS IS" as a result of such inspection and not as a result of any representations made by Seller or any selling or other agent of Seller. Seller makes no representation or warranty to Purchaser, express or implied, that the Property is free from hazardous or toxic substances, materials or wastes which are or become regulated by any federal, state or local governmental authority or that the Property is in compliance with any federal, state, or local environmental laws or regulations. Purchaser acknowledges and agrees that upon Closing, Seller shall sell and convey to Purchaser and Purchaser shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS." Purchaser has not relied on and will not rely on, and Seller is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto, to whomever made or given, directly or indirectly, orally or in writing. Purchaser represents to Seller that, prior to Closing, Purchaser has or will have conducted such investigations of the Property, including but not limited to, the physical, legal and environmental conditions thereof, as Purchaser has deemed necessary or desirable to satisfy Purchaser as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any hazardous substances on or discharged from the Property, and will rely solely upon such investigations and not upon any information provided by or on behalf of Seller or its agents with respect thereto. Upon Closing, Purchaser shall assume the risk of adverse matters, including but not limited to, adverse physical, legal and environmental conditions, that may not have been revealed by Purchaser's investigations, and Purchaser, upon Closing, shall be deemed to have waived, relinquished and released Seller from and against any and all claims, demands, causes of action (including causes of action in tort), losses, damages, liabilities, costs and expenses, of any and every kind or character (including attorneys' fees), known or unknown, which Purchaser might have asserted or alleged against Seller at any time by reason of or arising out of any latent or patent defects or physical conditions, violations of any applicable laws, and any and all other acts, omissions, events, circumstances or matters regarding the Property. The provisions of this Paragraph shall survive the Closing and the delivery of the deed to Purchaser.

5. TITLE/SURVEY.

(A) **Title Report/Survey.** Seller shall deliver to Purchaser the most recent copy of the survey of the Property (the "Survey"), if any, is in the possession of Seller. A search of title to the Property shall be promptly made by a Pennsylvania licensed title insurer of Purchaser's choice, and upon receipt of the title commitment (the "Title Report"), Purchaser shall furnish Seller a copy thereof, together with copies of any matters which are listed as exceptions on the Title Report. Simultaneously, with the delivery of the Title Report to Seller, Purchaser shall notify Seller in writing of any exceptions appearing on the Title Report or matters shown on the updated Survey which are unsatisfactory to Purchaser (the "Title Objections"). Within ten (10) days after receipt of the Title Objections, the Seller shall notify the Purchaser in writing of which Title Objections, if any, that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy (the "Seller's Title Response"). Within ten (10) days after receipt of the Seller's Title Response, the Purchaser shall either: (i) waive such Title Objections as Seller is unable or unwilling to cure or cause to be removed as an exception to Purchaser's title policy, or (ii) terminate this Agreement by giving written notice thereof to Seller, in which event the Escrow Agent shall refund the Deposit to the Purchaser, this

Agreement shall be null and void, and neither of the parties shall have any further obligations or liability under this Agreement. If Purchaser fails to terminate this Agreement pursuant to the preceding sentence, Purchaser shall be deemed to have waived any Title Objections which Seller has expressly stated in Seller's Title Response that Seller is unwilling or unable to cure or cause to be removed as an exception to Purchaser's title policy. Notwithstanding the foregoing, Seller shall, at Closing, have an affirmative obligation to cure and remove all monetary liens or encumbrances which are recorded against the Property, including, but not limited to, mortgages or other liens securing financing, mechanics liens, judgments and delinquent taxes, assessments and sewer and water charges.

(B) **Status of Title.** The Property (exclusive of the Subsurface Rights) is to be conveyed to Purchaser free and clear of all liens, encumbrances, easements, restrictions and agreements excepting with respect to the Realty only the Permitted Exceptions (hereinafter defined). With the exception of the Permitted Exceptions, and the Subsurface Rights, title to the Realty shall be good and marketable and such as will be insured by a licensed Pennsylvania title insurer at its regular rates for regular risks pursuant to the standard stipulations and conditions of the most current version of an ALTA policy of owner's title insurance. Seller shall furnish such customary title affidavits and other documents as the Title Company may require for the removal of standard title objections. "Permitted Exceptions" as used herein shall mean the following:

(1) Any exceptions originally appearing in the Title Report which are not objected to in writing by the Purchaser to the Seller or which are objected to, but such objection is thereafter waived in writing by the Purchaser or deemed waived pursuant to Section 5.A above.

(C) **Inability to Convey Title.** If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, Purchaser shall have the option:

(1) Of taking such title to the Property as Seller is able to convey, with abatement of the Purchase Price in the amount (fixed or ascertainable) of any liens or encumbrances on the Property; or

(2) Of terminating Purchaser's obligations under this Agreement and having the Deposit returned to Purchaser, in which event this Agreement shall be null and void and neither party shall have any further obligations hereunder.

6. **COVENANTS OF SELLER.** Seller covenants that it will:

(A) **Inspection.** Prior to the Closing Date, permit Purchaser and Purchaser's agents and employees to inspect the Property from time to time at reasonable times for the Investigation including the performance of environmental testing and investigations.

(B) **Lease.** Without the prior written consent of Purchaser, not enter into any contract, lease, easement, license or other Agreement affecting or encumbering the Property which cannot be terminated at Closing without charge, cost, penalty or permission, unless such lease is necessary for Seller to continue business;

(C) **Creation of Title Imperfections.** Other than the Permitted Exceptions, between the Agreement Date and the Closing Date, not permit any liens, easements, encumbrances or other clouds on the title to the Realty to be created (the "Title Imperfections"). If Seller creates or permits any Title Imperfections to be created in violation hereof, Seller shall promptly remove them prior or on the Closing Date;

(D) **Satisfaction of Liens.** Prior to or at Closing, satisfy any liens or encumbrances which exist against the Property on the Closing Date which may be satisfied by the payment of money, either by such payment or by depositing in escrow with the Title Company so much of the Purchase Price as will cause

Purchaser's title insurer to insure Purchaser against any loss which is caused to Purchaser because of the existence of such liens or encumbrances;

(E) **Notice of Suits.** Promptly deliver to Purchaser copies of any written notice received by Seller regarding all actions, suits or other proceedings effecting the Property, or the use, possession or occupancy thereof, which may adversely affect Purchaser or the Property;

(F) **Environmental and Other Notices.** Promptly deliver to Purchaser copies of written notices received by Seller of releases of hazardous substances or actual or threatened condemnation of the Property, or any portion thereof, given Seller on behalf of any federal, state or local agency;

(G) **Taxes.** Timely and properly file all state and federal tax reports and pay all taxes due when and as required which are not being disputed or contested in good faith;

7. REPRESENTATIONS AND WARRANTIES.

(A) **Representations and Warranties of Seller.** In order to induce Purchaser to enter into this Agreement, Seller hereby warrants and represents to Purchaser as follows:

(1) **Power to Perform.** Seller has full power and authority to enter into and fulfill Seller's obligations under this Agreement. The execution of this Agreement by Seller constitutes a valid and binding obligation of Seller in accordance with its terms and does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. All documents executed by Seller which are to be delivered to Purchaser at the Closing will be executed and delivered by Seller and will be legal, valid and binding obligations of Seller, and will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(2) **Accuracy of Documentation.** All books and records or other documentation delivered to Purchaser pursuant to this Agreement or in connection with the execution hereof are, to the best of Seller's knowledge, true, complete and correct copies. Prior to the expiration of the Investigation Period, Seller will, or shall have delivered to Purchaser, all documents and information relating to the Property of which Seller has knowledge which have or may have any material economic impact on the transaction contemplated hereby or on the operation and condition of the Property.

(3) **Contracts.** There are not now, nor will there be on the Closing Date, any contracts or agreements (including, without limitation service contracts and/or management agreements), written or oral, to which Seller is a party which affect the Property other than those attached hereto and made a part hereof as **Exhibit "B"**. All amounts due under any such contracts for any work or improvements respecting the Property shall have been paid by Seller on or prior to the Closing Date. (From the Agreement Date through the Closing Date, Seller shall not modify or terminate any of said contracts without Purchaser's prior written consent).

(4) **Leases.** There are no oral or written leases or rights of occupancy for any portion of the Property other than those set forth in Exhibit "B".

(5) **Zoning Classification.** The current zoning classification of the Realty is commercial under the applicable zoning ordinance.

(6) Assessed Valuation. There is no proceeding pending for the adjustment of the assessed valuation of all or any portion of the Property; there is no abatement in effect with respect to all or any portion of the real estate taxes; the real estate tax bills furnished by Seller to Purchaser are accurate and complete copies of all bills for taxes levied against or on account of the Property or any rent or income from the Property for the last three (3) full calendar years to the extent available, and for the current calendar year to date.

(7) Assessments. Seller has received no notice of any pending special assessment with respect to any portion of the Property, or become aware of any special assessment being contemplated. Any special municipal assessments levied between the Agreement Date and the Closing Date shall be paid by Seller.

(8) Condemnation. There is no condemnation proceeding with regard to the Property and Seller does not know of any proposed condemnation proceeding with regard to all or any portion of the Property.

(9) Litigation. There is not now any action, proceeding, litigation or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Property, or any basis therefor, that arises out of the ownership of the Property or that may affect the use, occupancy or operation of the Property for its present purpose or the value of the Property, or affect the ability of Seller to perform its obligation under this Agreement, or which questions the validity or enforceability of this Agreement.

(10) Foreign Person. Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code.

(11) Environmental Matters.

(1) Seller has no knowledge of the application, use, treatment, production, generation, discharge, disposal, release or storage on, from or onto the Property, or any lot or property adjacent thereto, of any Hazardous Material (as hereinafter defined). "Hazardous Material" as used herein means and includes any petroleum, hazardous, toxic or dangerous waste, substance or material defined as such in, or for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, any so called "superfund or superlien" law or any other federal, state or local statute, law, ordinance, code, rule, regulations, order, decree or other requirement of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material as now in effect and applicable to the Property. To the best of Seller's knowledge, the Building and all other improvements and fixtures constituting any portion of the Property do not contain any hazardous building materials or toxic substances including without limitation, friable asbestos or any other substance containing asbestos and being hazardous by federal or state regulations regulating such material, lead-based paints or PCBs except to the extent permitted by applicable laws. Seller has no knowledge of any underground storage tanks at the Property. If any Hazardous Material is discovered at the Property in violation of applicable law prior to the Closing Date and Seller does not agree to remedy such condition to Purchaser's reasonable satisfaction at Seller's sole cost, Purchaser shall have the right to terminate this Agreement by written notice to Seller and to be refunded the Deposit.

(2) Purchaser agrees that it will not with respect to the Property prior to the applicable Closing Date report to, notify or otherwise communicate with the United States Environmental Protection Agency ("EPA") or the Pennsylvania Department of Environmental Protection ("DEP") or any other party regarding any activities or conditions relating to the condition of the Property without the prior knowledge and consent of the Seller, unless:

i. An activity or condition related to the Property presents an emergency or imminent hazard to human health or the environment and notification by the Purchaser to EPA or DEP is required by applicable law; and

ii. The Purchaser is unable to contact the Seller within the time required by law for the Purchaser to give such notice to EPA or DEP.

(12) **Notices.** Seller has not received and has no actual knowledge of any notices of any violation of any law, order or requirement issued by any municipal or other public authority against or affecting all or any portion of the Property with regard to any work or improvements done or ordered by such authority to be done either before or after the Agreement Date. Seller has not received and has no actual knowledge of any notice or request from any insurance company or board of insurance underwriters (or similar organization) requesting the performance of any work or the correction of any conditions concerning the Property.

(13) **Utilities.** The Property is serviced by public water, sewer, gas and electric.

(14) **Governmental Certificates.** All certificates of occupancy necessary for operation of the Property as presently conducted, have been issued by all authorities having jurisdiction thereof and all such certificates of occupancy are in full force and effect. Seller has not received any written notice of suspension or cancellation of any certificate of occupancy;

(15) **Historic Property.** The Property has not been registered or certified as "historic" by any local, state or federal government entity or historic commission;

(16) **Public Roads.** All roads abutting the Property are dedicated public roads and a Deed to be delivered to Purchaser at Closing hereunder is the only instrument necessary to convey to Purchaser all rights appurtenant to the Property in such roads;

(17) **Fee Ownership.** Seller holds, or at the time of Closing will hold, fee simple title to the Property.

(B) **Representations and Warranties of Purchaser.** In order to induce Seller to enter into this Agreement, and with full knowledge that Seller is relying thereon, Purchaser hereby warrants and represents to Seller as follows: (i) this Agreement is duly authorized, executed and delivered by Purchaser, constitutes the legal and valid binding obligation of Purchaser, and does not violate any provision of any agreement or judicial order to which Purchaser is a party or to which it is subject; (ii) all documents executed by Purchaser which are to be delivered to Seller at the Closing will be duly authorized, executed and delivered by Purchaser, and will not violate any provisions of any agreement or judicial order to which Purchaser is a party or to which it is subject; (iii) that Purchaser shall provide truthful and complete information to any prospective lending institution in connection with any application for financing of the Purchase Price; (iv) that Purchaser's obligations under this Agreement are not conditioned or contingent upon the sale of any real or personal property that is not the subject of this Agreement.

(C) **Representations and Warranties to Survive Closing.** Each of the representations and warranties of the respective parties contained herein or made in writing pursuant to this Agreement, shall be true and correct as of the Agreement Date and as of the Closing Date and shall survive the execution and delivery of this Agreement and Closing.

8. **FIRE OR OTHER CASUALTY.** Seller shall maintain in effect until the Closing Date the insurance policies now in effect with respect to the Property. If on or prior to the Closing Date any portion of

the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, Seller shall immediately give written notice thereof with specificity to Purchaser, and Purchaser shall have the right, at its sole option, of terminating this Agreement and being released from all liabilities and obligations hereunder, in which event the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of such damage. If notice of such damage is received by Purchaser and Purchaser fails to deliver written notice to Seller of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser does not terminate this Agreement, the proceeds of any insurance paid between the Agreement Date and the Closing Date, not utilized to repair and restore the Realty or other Property, shall be paid to Purchaser on the Closing Date, together with the deductible amount, if any, under Seller's casualty insurance policy and Seller shall assign to Purchaser all rights Seller has to any future insurance proceeds arising from such casualty, without in any manner affecting the Purchase Price.

9. **CONDEMNATION.** If on or prior to the Closing Date, all or any portion of the Property is taken by eminent domain or a notice of any eminent domain proceeding with respect to the Property or any part thereof is received by Seller, Seller shall immediately give written notice thereof with specificity to Purchaser. If such taking adversely affects the Property in the sole determination of Purchaser, Purchaser shall have the option to complete the purchase hereunder, or terminate this Agreement, in which event this Agreement shall be null and void and the Deposit shall be returned to Purchaser. Purchaser shall deliver written notice of its election to Seller within fifteen (15) calendar days after the date upon which Purchaser receives written notice of eminent domain proceedings. If notice of condemnation is received by Purchaser and Purchaser fails to deliver written notice of Purchaser's election, such failure shall be deemed an election by Purchaser to complete the purchase of the Property under this Agreement. If Purchaser elects (or is deemed to have elected) to complete the purchase of the Property hereunder, the purchase shall be completed in accordance with this Agreement, except at the Closing Seller shall pay, assign and transfer to Purchaser all proceeds from such proceedings theretofore received by Seller with regard to the Property and all rights Seller has to any future proceeds of such eminent domain proceedings with regard to the Property, without in any manner affecting the Purchase Price.

10. **DEFAULT.**

(A) **Purchaser's Default.** Should Purchaser default under any of the terms, covenants or conditions of this Agreement, provided Seller is not in default hereunder, Seller shall have as its sole and exclusive remedy, the right to terminate this Agreement of Sale and to receive the entire Deposit as liquidated damages and not as a penalty, such being agreed between Purchaser and Seller to be a necessary condition to this Agreement in order to compensate Seller for expenses and expenditures incurred and made in connection therewith and the damages sustained as a result of withdrawing the Property from the market and otherwise for Purchaser's non-compliance with this Agreement. Thereupon, this Agreement shall become null and void and of no further force and effect and neither party shall have any further rights, liabilities or obligations hereunder.

(B) **Seller's Default.**

(1) **Seller's Inability to Convey Title.** If Seller is unable to convey title at Closing in accordance with the requirements of this Agreement, then, Purchaser's only remedy shall be to terminate this Agreement by giving written notice to Seller on or before the Closing Date. Purchaser may, nevertheless, accept such title as Seller shall be able to convey in accordance with Section 5.C(1) hereof.

(2) **Breach of Representation, Warranty or Covenant.** If Purchaser has actual knowledge prior to the Closing Date that any of the representations and warranties of Seller are not true and correct or have otherwise been breached or that any of Seller's covenants have been breached, then, Purchaser's

sole remedy shall be to terminate this Agreement by giving written notice of such termination to Seller on or before the Closing Date, at which time, the Deposit shall be returned to Purchaser

11. CONDITIONS PRECEDENT TO PURCHASER'S OBLIGATION.

(A) **Conditions Precedent.** The obligation of Purchaser to complete Closing hereunder in accordance with this Agreement is contingent upon satisfaction of each of the following conditions (any of which may be waived in whole or in part by Purchaser on or prior to the Closing Date):

(1) **Compliance with Covenants.** All of the covenants and agreements to be performed by Seller on or prior to the Closing Date under the terms of this Agreement shall have been so performed by Seller.

(2) **Seller's Representations and Warranties.** Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all respects on the Closing Date as though made on the Closing Date.

(3) **Title Policy.** An unconditional commitment therefor meeting the requirements of Section 5.B hereof, shall have been issued by the Purchaser's Title Company to Purchaser, provided however, that such condition shall be deemed waived and or satisfied in the event that Seller has performed all of its obligations hereunder with respect to such Title Policy, and such non issuance is the result of any act or failure to act on the part of Purchaser.

(4) **No Termination.** Purchaser shall not have validly terminated this Agreement in accordance with the terms hereof.

(5) **Delivery of Seller's Closing Documents.** Seller shall have delivered to Purchaser all Seller's Closing documents pursuant to Section 14.A hereof.

(6) **Rights of Termination.** In the event that any of the foregoing conditions shall not have been fulfilled or waived on or before the Closing Date, then Purchaser may elect, upon notice to Seller, to terminate this Agreement, in which event the Purchaser shall have the applicable rights available under Section 10.B hereof.

(7) **Documents.** Within ten (10) days of the Agreement Date, Seller shall deliver to Purchaser to the extent available and in the possession of Seller or her agents:

i. the latest as-built plans or surveys of the Property prepared by a registered and licensed surveyor, if any;

ii. a list of all service contracts, if any, with respect to the Property;

iii. copies of the latest environmental reports with respect to the Property which are in Seller's possession, if any, which reports shall be deemed confidential information;

iv. copies of the latest title commitment and title policy with respect to the Property, if any;

v. originals, if reasonably available, of the following instruments (or copies if originals are unavailable), all certified by Seller as true and correct to the best knowledge of Seller:

a. all certificates of occupancy, licenses, plans, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Property;

b. All building records, if any, with respect to the Property; and

c. Each bill of current real estate taxes and bills for the past three (3) years, sewer charges and assessments, municipal services and other utilities, together with proof of payment thereof (to the extent the same have been paid).

12. CLOSING.

(A) Closing Date. Closing on the purchase of the Property (the "Closing") shall occur Thirty (30) days from the date of the Expiration of the Inspection Period (herein referred to as the "Closing Date"). Closing shall be held at the Title Company or such other place agreed to by the parties;

(B) Advancing the Closing Date. Purchaser may advance the Closing Date by giving Seller five (5) days prior written notice thereof.

13. APPORTIONMENTS AND TRANSFER TAX.

(A) Apportionments. The following apportionments shall be prorated on a per diem basis as of midnight of the day preceding the Closing Date, all of which, to the extent applicable, shall be reflected on a closing statement (the "Closing Statement") executed by Seller and Purchaser on the Closing Date:

(1) Real Estate Taxes. Real estate taxes shall be apportioned on a per diem basis based on the fiscal or calendar year of each taxing authority.

(2) Water, Sewer and Other Utility Charges. Any water or other utility charges assessed against the Property shall be apportioned on a per diem basis based on the billing cycle of such utility.

(3) Transfer Taxes. Any transfer taxes imposed by any governmental authority upon this transaction shall be shared equally by Seller and Purchaser.

14. CLOSING PROCEDURE.

(A) Seller's Closing Documents. At or before the Closing, Seller shall deliver to Purchaser, or cause to be delivered to Purchaser the following:

(1) A special warranty deed as is customary in the state in which the Property is located duly executed by Seller conveying good and marketable title to the Realty, subject only to the Permitted Exceptions;

(2) A duly executed Assignment in form acceptable to Purchaser's counsel, all of Seller's right, title and interest in and to any Leases, Plans and Incidental Rights;

(3) Originals or copies, if originals are not available, of building permits, licenses, approvals and certificates of occupancy for the Property and all other documents relating to the Property;

(4) Duly executed certificates required by Section 1445 of the Internal Revenue Code that Seller is not a foreign person within the meaning of said Section 1445;

(5) Any other documents, instruments, records, correspondence or agreements called for hereunder which have not previously been delivered to Purchaser and for which Purchaser has made specific demand not less than five (5) days prior to Closing;

(6) Copies of any other prior documents, instruments, records, correspondence or agreements relating to the Property as the Purchaser's title insurer may reasonably require to insure title;

(7) The Closing Statement executed by Seller;

(8) All keys and combinations to the locks on any Building located at the Property; and

Seller further covenants that it will at any time, from time to time after Closing hereunder, upon request of Purchaser, do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, conveyances and assurances as may reasonably be required for the conveying, transferring, assuring and confirming title to the Realty to Purchaser.

(B) **Purchaser's Closing Documents.** At or before the Closing, Purchaser shall deliver or cause to be delivered to Seller, the following:

(1) An assumption of the Incidental Rights;

(2) The balance of the Purchase Price remaining due at time of Closing;

(3) The Closing Statement executed by Purchaser;

(4) Documents of authority of Purchaser authorizing the transactions contemplated by this Agreement; and

(5) Such other instruments and payments may be reasonably required by the Title Company or otherwise reasonably required to consummate the purchase of the Property in accordance with the terms hereof and for which specific demand not less than five (5) days prior to Closing.

(C) **Possession.** Possession of the Property shall be delivered by Seller to Purchaser at Closing.

(D) **Tender.** Formal tender of an executed deed and purchase money is hereby waived.

15. **REAL ESTATE BROKERS.** Seller and Purchaser hereby acknowledge that neither party retained a real estate broker for in connection with this transaction. Seller or Purchaser shall indemnify and hold the other harmless against any losses, costs or expenses (including Attorney's fees) arising out of claims from any broker or agent or any other broker or finder in connection with this transaction.

16. **BULK SALE.** In the event the sale of the property by the Seller constitutes a "Bulk Sale" under the "Bulk Sale Laws", Seller agrees to comply with said laws and shall give any and all notices to the governmental agencies or authorities required under those certain laws of the Commonwealth of Pennsylvania,

in advance of the transfer of the Property by Seller to Purchaser. Seller shall also act in good faith and with reasonable diligence to apply for, obtain and deliver to Purchaser and the Purchaser's Title Company any and all clearance certificates evidencing the payment by Seller of certain taxes, assessments and contributions to the state in which the Property is located as, and to the extent, required by the Bulk Sales Laws at or as soon after the Closing Date as is reasonably possible. The parties acknowledge that, as a result of procedures for the administration of applications for such clearance certificates, and anticipated delays therein, it may not be reasonably possible for Seller to obtain and deliver such clearance certificates as of the Closing Date, or for some period of time thereafter. If any such required clearance certificate is not available at the Closing, the failure to deliver such clearance certificate, and any exception therefore raised by the Title Company, if any, shall not constitute a default by Seller or a deficiency in title provided that Seller provides to the Purchaser's Title Company Seller's written indemnity and escrow for any and all losses resulting from the Bulk Sales Laws in a form and amount reasonably acceptable to Purchaser. Such indemnity shall not expire and the escrow not released unless and until Seller delivers all such required clearance certificates. Purchaser may request and Seller shall provide a written statement by a certified public accountant who has reviewed Seller's financial records verifying Seller's compliance with all required tax filings and payment of all tax liabilities up to and including the date of Settlement. Seller shall promptly provide to Purchaser a copy of any such clearance certificate issued to Seller.

17. GENERAL PROVISIONS.

(A) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and there are no other terms, covenants, representations, statements or conditions, oral or otherwise, of any kind whatsoever, which are not herein referred to or incorporated. Any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this Agreement in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought

(B) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser and their permitted respective successors and assigns. Purchaser shall have the right on or before the Closing Date to assign its interest hereunder to any person or entity.

(C) **Notices.** All notices, consents or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered personally; (b) three (3) business days after being mailed by first class certified mail, return receipt requested, postage prepaid; or (c) one (1) business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid, to the parties at the following addresses:

- (1) If to Purchaser:
Main Swetland, LLC
Attn: Frank Cawley
170 South Highland Drive
Jenkins Township, PA 18640

With Copy to:
Samuel A. Falcone, Esquire
1170 Highway 315, Suite 1
Plains, PA 18702

- (2) If to Seller:

With Copy to:

Notices may also be given by prepaid telegram or facsimile and shall be effective on the date transmitted if confirmed within twenty (24) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Any party may change its address for notice and the address to which copies must be sent by giving notice of the new address to the other party in accordance with this Section, except that any such change of address notice shall not be effective unless and until received.

(D) **Time of the Essence.** All times provided for herein are and shall be of the essence of this Agreement and any extension of any such time or times shall continue to be of the essence of this Agreement.

(E) **Assignment.** Purchaser may assign all its rights and interest in this Agreement to a business entity of its choosing.

(F) **Severability.** If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby. Furthermore, if any provision of this Agreement is held to be unenforceable because of the time period of such provision, the court making such determination shall have the power to reduce the time period of such provision to a time period which is enforceable and, in its reduced form, said provision shall then be enforceable.

(G) **Captions.** The section captions contained herein are not a part of this Agreement. They are included solely for the convenience of the parties and do not in any way modify, amplify or give full notice of any of the terms, covenants or conditions of this Agreement.

(H) **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the state in which the Property is located without giving effect to the principles of conflict of laws.

(I) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement. For purposes of this Agreement, a telecopy of an executed counterpart shall constitute an original. Any party delivering an executed counterpart of this Agreement by telecopier shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity of this Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be duly executed the day and year first above written.

WITNESS:

SELLER:

Pastor Juan Santos

DR. R.W. McNeil

EXHIBIT "B"

EXHIBIT "A"

2016/NOV/15/TUE 11:23

Cawley PF

FAX No. 570 208 2788

P. 001

WITNESS:

PURCHASER:

Main Swetland, LLC

A handwritten signature in black ink, appearing to be 'Frank Cawley', is written over a horizontal line.

Frank Cawley, Member

TAB 11-B. RDA-300 FORM (SOURCES OF FUNDS)

SITE CONTROL DOCUMENTATION

(Property Deed – Parcel 4)



EVIE RAFALKO McNULTY
LACKAWANNA COUNTY RECORDER OF DEEDS
Scranton Electric Building
507 Linden Street
Scranton, Pennsylvania 18503
(570) 963-6775

Instrument Number - 200901674

Recorded On 1/27/2009 At 3:03:24 PM

* Total Pages - 4

* Instrument Type - DEED

Invoice Number - 120854

User - EN

* Grantor - VARA, JOHN E

* Grantee - GILBRO REALTY INC

* Customer - WILLIAM STEPPACHER

*** FEES**

STATE TRANSFER TAX	\$1,100.00
STATE WRIT TAX	\$0.50
STATE JCS/ACCESS TO JUSTICE	\$10.00
RECORDING FEES - RECORDER OF DEEDS	\$13.00
AFFORDABLE HOUSING	\$13.00
PARCEL CERTIFICATIONS	\$10.00
COUNTY IMPROVEMENT FEE	\$2.00
ROD IMPROVEMENT FEE	\$3.00
SCRANTON SCHOOL REALTY TAX	\$550.00
SCRANTON CITY	\$2,750.00
TOTAL PAID	\$4,451.50

This is a certification page

DO NOT DETACH

This page is now part
of this legal document.

RETURN DOCUMENT TO:

WILLIAM STEPPACHER
224 ADAMS AVENUE
SCRANTON, PA 18503
ATTN: BOX 79

I hereby CERTIFY That this document is
recorded in the Recorder of Deeds Office
of Lackawanna County, Pennsylvania.



Evie Rafalko McNulty

Evie Rafalko McNulty
Recorder of Deeds

* - Information denoted by an asterisk may change during
the verification process and may not be reflected on this page.

028154



This Indenture, made the 9th day of January 2009,

Between

**JOHN E. VARA AND LYNNE A. VARA, HIS WIFE, OF RR2, BOX 2005,
MOSCOW, PA 18444,**

(hereinafter called the Grantors), of the one part, and

GILBRO REALTY, INC., OF 810 MAIN STREET, MOOSIC, PA 18507,

(hereinafter called the Grantee), of the other part,

Witnesseth, that the said Grantors for and in consideration of the sum of **one hundred ten thousand and 00/100 Dollars (\$110,000.00)** lawful money of the United States of America, unto them well and truly paid by the said Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, have granted, bargained and sold, released and confirmed, and by these presents do grant, bargain and sell, release and confirm unto the said Grantee, as sole owner

ALL THE SURFACE OR RIGHT OF SOIL ALL THAT CERTAIN lot, piece or parcel of land, situate, lying and being in the City of Scranton, County of Lackawanna and Commonwealth of Pennsylvania, with improvements thereon, more particularly bounded and described as follows:

BEING Lot Numbered Four (4) in Block Number Two (2) as designated and laid out on the plot or map of the said, the Keystone Land Company, known and described as "Lincoln Heights Annex" which said plot or map is of record in the Office for the Recording of Deeds in and for the said County of Lackawanna, in Map Book No. 1, Page 83. Said lot being fifty-three and eleven-one hundredths (53.11) feet in front upon South Main Avenue, one hundred fifty-three and four one-hundredths (153.04) feet in depth on the Southerly side and one hundred sixty (160) feet in depth on the Northerly side of an alley to an alley fourteen (14) feet wide, as shown by said recorded map, and being fifteen (15) feet in width in the rear; together with the appurtenances.

SUBJECT to the same conditions, exceptions, restrictions and reservations as are contained in all prior deeds forming the chain of title.

ASSESSMENT MAP NO.: 15617 080 001.

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL, OILS, MINERALS AND GASES AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL

RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND, THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT.

BEING the same premises which SUZANNE J. ANISKA, SINGLE, FORMERLY KNOWN AS SUZANNE J. WHARTON, by her certain Deed dated the 26th day of September 2003, and recorded on September 29, 2003, and recorded in the Office of the Recorder of Deeds of Lackawanna County in Record Book 1055, at Page 289, granted and conveyed unto JOHN E. VARA and LYNNE A. VARA, HIS WIFE, in fee, the Grantors herein.

Together with all and singular the buildings and improvements, ways, streets, alleys, driveways, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances, whatsoever unto the hereby granted premises belonging, or in anywise appertaining, and the reversions and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of them, the said grantors, as well at law as in equity, of, in and to the same.

To have and to hold the said lot or piece of ground described above, with the buildings and improvements thereon erected, hereditaments and premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, her heirs and assigns, to and for the only proper use and behoof of the said Grantee, her heirs and assigns, forever.

And the said Grantors, for themselves and their heirs, executors and administrators, do, by these presents, covenant, grant and agree, to and with the said Grantee, her heirs and assigns, that they, the said Grantors, and their heirs, all and singular the hereditaments and premises herein described and granted, or mentioned and intended so to be, with the appurtenances, unto the said Grantee, her heirs and assigns, against them, the said Grantors, and their heirs, will warrant and defend against the lawful claims of all persons claiming by, through or under the said Grantors but not otherwise.

In Witness Whereof, the parties of the first part have hereunto set their hands and seals. Dated the day and year first above written.

Sealed and Delivered
IN THE PRESENCE OF US:

JOHN E. VARA

(SEAL)

LYNNE A. VARA

(SEAL)

Commonwealth of Pennsylvania } ss
County of Lackawanna

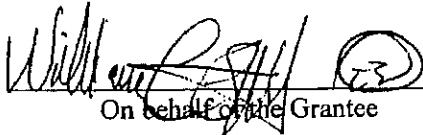
On this the 9th day of January 2009, before me, the undersigned Notary Public, personally appeared **JOHN E. VARA and LYNNE A. VARA**, his wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal
COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Erin Steppacher, Notary Public
City Of Scranton, Lackawanna County
My Commission Expires Feb. 3, 2009
Member, Pennsylvania Association of Notaries


Notary Public

My commission expires 2-3-09

The address of the above-named Grantee is:
**810 Main Street
Moosic, PA 18507**


On behalf of the Grantee

Our File No. 1-2008-1248

Record and return to:

Reliable Abstract

LACKAWANNA COUNTY
CERTIFIED PROPERTY IDENTIFICATION
MUNI: 24
PIN: 15617 080 001
USE: 6000 ASSESS VAL: 7400
DATE: 1/27/09 AN
6.00 CLEAR

TAB 11-B. RDA-300 FORM (SOURCES OF FUNDS)
SITE CONTROL DOCUMENTATION

(Property Deed – Parcel 5)



EVIE RAFALKO McNULTY
LACKAWANNA COUNTY RECORDER OF DEEDS
Scranton Electric Building
507 Linden Street
Scranton, Pennsylvania 18503
(570) 963-6775

Instrument Number - 200913460

Recorded On 6/1/2009 At 10:17:39 AM

* Total Pages - 5

* Instrument Type - DEED

Invoice Number - 129555

User - MN

* Grantor - SUNOCO INC

* Grantee - SOUTH SCRANTON XPRESS MARTS INC

* Customer - HASSEY LEGAL SERVICES

* FEES

STATE TRANSFER TAX	\$13,000.00
STATE WRIT TAX	\$0.50
STATE JCS/ACCESS TO JUSTICE	\$10.00
RECORDING FEES - RECORDER OF DEEDS	\$13.00
AFFORDABLE HOUSING	\$13.00
PARCEL CERTIFICATIONS	\$10.00
COUNTY IMPROVEMENT FEE	\$2.00
ROAD IMPROVEMENT FEE	\$3.00
SCRANTON SCHOOL	\$6,500.00
REALTY TAX	
SCRANTON CITY	\$32,500.00
TOTAL PAID	\$52,051.50

This is a certification page

DO NOT DETACH

This page is now part
of this legal document.

RETURN DOCUMENT TO:
HASSEY LEGAL SERVICES
304 WILKES-BARRE TWP. BLVD
WILKES-BARRE, PA 18702

I hereby CERTIFY that this document is
recorded in the Recorder of Deeds Office
of Lackawanna County, Pennsylvania.



Evie Rafalko McNulty

Evie Rafalko McNulty
Recorder of Deeds

* - Information denoted by an asterisk may change during
the verification process and may not be reflected on this page.

0285AF



SPECIAL WARRANTY DEED

SUNOCO, INC. (R&M), a Pennsylvania Corporation, formerly SUN COMPANY, INC. (R&M), a Pennsylvania Corporation formerly Sun Refining and Marketing Company, a Pennsylvania Corporation, formerly Sun Oil Company of Pennsylvania, a Pennsylvania Corporation, successor by merger to Sun Oil Company, a New Jersey Corporation, 1735 Market Street, Philadelphia, Pennsylvania 19103, GRANTOR, for and in consideration of the sum of One Million Three Hundred Thousand Dollars (\$1,300,000.00), the receipt of which is hereby acknowledged, grants and conveys to South Scranton Xpress Marts, Inc., 1227 S. Main Avenue, Scranton, PA 18507, GRANTEE, the heirs or successors and assigns of Grantee, forever, all that certain parcel of Real Estate in the City of SCRANTON, County of LACKAWANNA, Commonwealth of Pennsylvania, more particularly described in Exhibit "A" attached hereto and made a part hereof,

Subject to easements, restrictions and conditions of record, easements or restrictions visible upon the ground, any state of facts which an accurate survey would disclose, and a right to repurchase and right of first refusal to Grantor, expiring no later than fifteen (15) years from the date hereof, as set forth in the Agreement of Sale dated February 12, 2009, between Grantor and Grantee.

This document does not include or insure the title to the coal and the right of support underneath the surface land described or referred to herein and the OWNER or OWNERS of such coal may have the complete legal right to remove all of such coal and, in that connection, damage may result to the surface of the land and any house, building or other structure on or in such land. The inclusion of this notice does not enlarge, restrict or modify any legal rights or estates otherwise created, transferred, excepted or reserved by this instrument.

This conveyance is made in the normal course of business of the Grantor herein, and does not constitute the sale of all or substantially all of the assets of the Corporation.

AND THE GRANTOR will warrant specially the property hereby conveyed, subject as aforesaid.

PENNSYLVANIA - SPECIAL WARRANTY

IN WITNESS WHEREOF, SUNOCO, INC. (R&M) has set its hand and seal this 16
day of April, 2009.

SUNOCO, INC. (R&M)

BY: John P. Steel

John P. Steel
Disposition Manager

ATTEST:

Joan C. Scarpa
Joan C. Scarpa
Vice President

COMMONWEALTH OF PENNSYLVANIA)

) SS

COUNTY OF PHILADELPHIA)

On this 16 day of April, 2009, before me personally appeared John P. Steel who acknowledged himself to be the Disposition Manager of Sunoco, Inc. (R&M), a Pennsylvania corporation, and that he as such Disposition Manager being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Disposition Manager.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Christine M. Pryszak
Notary Public

THIS INSTRUMENT PREPARED BY: ALEXANDER KNAPP
MELLON BANK CENTER, 1735 MARKET STREET, PHILADELPHIA, PENNSYLVANIA
19103.

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Christine M. Pryszak, Notary Public
City Of Philadelphia, Philadelphia County
My Commission Expires June 8, 2009
Member Pennsylvania Association of Notaries

EXHIBIT A

LEGAL DESCRIPTION OF: 1227 South Main Avenue, Scranton,
Lackawanna County, Pennsylvania 18504.

BEGINNING at a cut spike in a concrete walk at the corner formed by the intersection of the Southeasterly side of South Main Avenue and the Southwesterly side of Smith Street; THENCE extending South forty-eight degrees thirty minutes East along the said side of Smith Street three hundred thirty-four feet and seventy-two one hundredths of a foot to a stake set at the intersection of the said side of Smith Street and the Northwesterly side of Snyder Avenue; THENCE extending South twenty-three degrees thirty-three minutes West along the said side of Snyder Avenue one hundred forty-two feet to a stake set at the intersection of the said side of Snyder Avenue and the Northeasterly side of a Fourteen feet wide alley extending Northwestward into the said South Main Avenue; THENCE extending North forty-eight degrees thirty minutes West along the said side of said alley three hundred thirty-four feet and seventy-two one hundredths of a foot to a stake set at the intersection of the said side of said alley and the Southeasterly side of said South Main Avenue; THENCE extending North twenty-three degrees thirty-three minutes East along said side of South Main Avenue one hundred forty-two feet to the first mentioned POINT and PLACE OF BEGINNING.

SUBJECT to exceptions and reservations of coal and other minerals as set forth in various deeds in the chain of title.

UNDER AND SUBJECT to certain Building Restrictions and Conditions as fully set forth in deeds recorded in Deed Book No. 216, pages 595 and 596.

LESS THE FOLLOWING:

ALL that certain lot or parcel of ground with the improvements thereon erected situate in the City of Scranton, County of Lackawanna, and State of Pennsylvania, more particularly described as follows:

BEGINNING at a point formed by the intersection of the southerly side of Smith Street (40 feet wide) and the westerly side of Snyder Avenue (40 feet wide); THENCE (1) along the westerly side of Snyder Avenue, South 23 degrees 33 minutes West, 142 feet to a point in a 14 feet wide alley; THENCE (2) along the northerly side of said alley, North 48 degrees 30 minutes West, 184.72 feet to a point; THENCE (3) along other lands of seller, North 23 degrees 33 minutes East, 142 feet to a point in the southerly side of Smith Street; THENCE (4) along the southerly side of Smith Street, South 48 degrees 30 minutes East, 184.72 feet to the POINT and PLACE OF BEGINNING.

MAP # 15613-080-015

LACKAWANNA COUNTY
CERTIFIED PROPERTY IDENTIFICATION
MUNI: 34
PIN: 15613 080 015
USE: 4000 ASSESS VAL: 37400
DATE: 5 29 05 JK CLERK
10.

TAB 12.
(INTENTIONALLY LEFT BLANK)

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 13.
PLANS AND SPECIFICATIONS

West Scranton Revitalization Project

City of Scranton, Lackawanna County

Plans and specifications are currently under development.

TAB 14.
RACP FUNDING ACCUMULATION SCHEDULE

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 14: FUNDING ACCUMULATION SCHEDULE

DIRECTIONS: Complete the 4 boxes immediately below, then enter amounts in the 3 highlighted cells. The balance of the form will self-calculate.

Applicant:	City of Scranton
Sub-Applicant:	Main Swetland LLC
Project Name:	West Scranton Revitalization Project
Reason if requesting other than a 36-month drawdown schedule:	Estimated construction period is 10 months.

A. Redevelopment Assistance Grant: \$2,500,000

B. Total Match (Non-RACP) Amount: \$3,039,000

C. Total Project Funding (C = A + B): \$5,539,000

Accumulation Per Month = Redevelopment Assistance Grant divided by 10 Months.

Month	Accumulation per month	Accumulated Amount
1	\$250,000	\$250,000
2	\$250,000	\$500,000
3	\$250,000	\$750,000
4	\$250,000	\$1,000,000
5	\$250,000	\$1,250,000
6	\$250,000	\$1,500,000
7	\$250,000	\$1,750,000
8	\$250,000	\$2,000,000
9	\$250,000	\$2,250,000
10	\$250,000	\$2,500,000
11	\$0	\$2,500,000
12	\$0	\$2,500,000
13	\$0	\$2,500,000
14	\$0	\$2,500,000
15	\$0	\$2,500,000
16	\$0	\$2,500,000
17	\$0	\$2,500,000
18	\$0	\$2,500,000
19	\$0	\$2,500,000
20	\$0	\$2,500,000
21	\$0	\$2,500,000
22	\$0	\$2,500,000
23	\$0	\$2,500,000
24	\$0	\$2,500,000
25	\$0	\$2,500,000
26	\$0	\$2,500,000
27	\$0	\$2,500,000
28	\$0	\$2,500,000
29	\$0	\$2,500,000
30	\$0	\$2,500,000
31	\$0	\$2,500,000
32	\$0	\$2,500,000
33	\$0	\$2,500,000
34	\$0	\$2,500,000
35	\$0	\$2,500,000
36	\$0	\$2,500,000

TAB 15.

**PERMITS, LICENSING, REGULATORY & LEGAL
REQUIREMENTS**

West Scranton Revitalization Project
City of Scranton, Lackawanna County

UNDER PREPARATION

TAB 16.
FLOOD ZONE REQUIREMENTS

West Scranton Revitalization Project
City of Scranton, Lackawanna County



BUREAU OF CITY PLANNING

CITY HALL : 340 NORTH WASHINGTON AVENUE : SCRANTON, PENNSYLVANIA 18503 : PHONE 570-348-4280 : FAX 570-348-4171

February 13, 2017

Re: 1100 Block, S. Main Avenue, Scranton, PA 18505

To Whom It May Concern:

Please allow this letter to serve as your evidence that the above referenced property is located in Zone C (areas of minimal flooding) pursuant to FIRM panel #420538 0010B, effective August 15, 1980. To the best of my knowledge this site has never been subject to riverine flooding.

Attached please find a FIRMette indicating the subject property.

If anyone has any further questions regarding this matter contact me at 570-348-4280 or dking@scrantonpa.gov.

Sincerely,

Donald J. King, AICP, CFM
City Planner

Certified Floodplain Manager
#US-12-06350

Program at (800) 638-6620, or (800) 424-8872.



APPROXIMATE SCALE

800 0 80

NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

CITY OF
SCRANTON,
PENNSYLVANIA
LACKAWANNA COUNTY

PANEL 15 OF 25
(SEE MAP INDEX FOR PANELS NOT PRINTED)

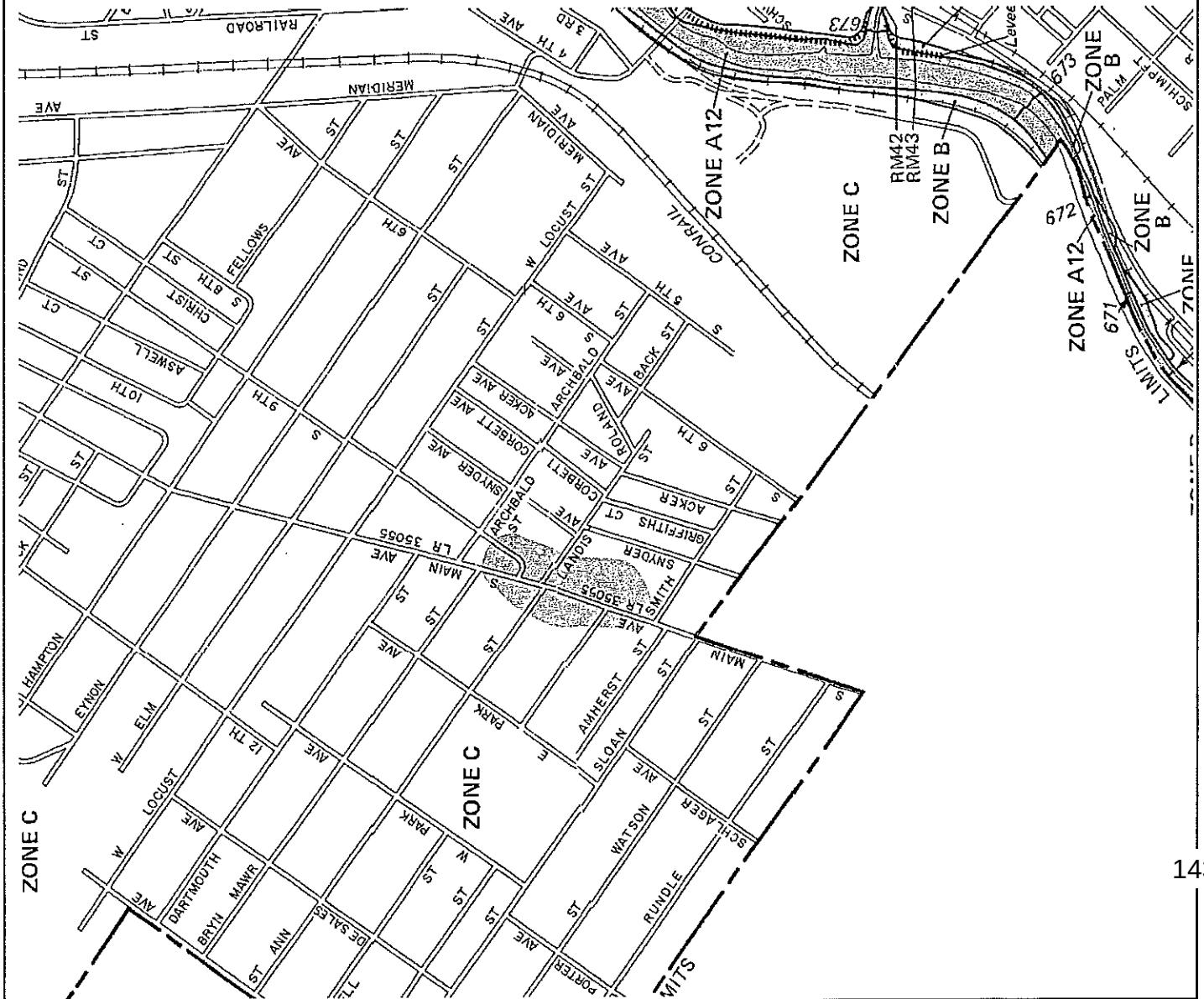
COMMUNITY-PANEL NUMBER
420538 0015 B

EFFECTIVE DATE:
AUGUST 15, 1980



U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
FEDERAL INSURANCE ADMINISTRATION

This is an official copy of a portion of the above referenced flood map. It was extracted using FIRMette - Desktop version 3.0. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. Further information about National Flood Insurance Program flood hazard maps is available at <http://www.msc.fema.gov/>.



TAB 17.

STATEMENT OF COMMUNITY PARTICIPATION

West Scranton Revitalization Project

City of Scranton, Lackawanna County



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

September 13, 2016

Mr. Steven Heuer
Director
Bureau of Revenue, Capital and Debt
Office of the Budget
Commonwealth of Pennsylvania
18th Floor, Harrisstown 2
333 Market Street
Harrisburg, PA 17101-2210

Dear Mr. Heuer:

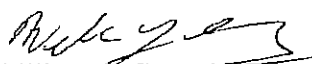
On behalf of the City Administration and the people of the city of Scranton, I would like to take this opportunity to offer my commitment and full support to the West Scranton Revitalization Project, which will involve the design and construction of a multi-story mixed-use property, designed to provide a modern venue for healthcare services, the bioscience industry and for new residential space.

The project will be located at 1142 – 1150 South Main Avenue in West Side, just several hundred feet from a new multi-million dollar retail strip center with national retail tenants. West Side is an area experiencing a significant degree of redevelopment as a consequence of the immediate downtown redevelopment near Mount Pleasant Corporate Center, whose tenants include Geisinger Health System, Physicians Health Alliance, Lab Corp and Valley Oral and Maxillofacial Surgery. The proposed site of the West Scranton Revitalization Project is an ideal complement to the Center, as it allows smaller medical businesses to cluster-complementing the newly constructed Rite Aid Pharmacy and nearby pediatrician and audiologist offices.

The West Scranton Revitalization Project is an ideal candidate for support through the Redevelopment Assistance Capital Program, as the completion of this project will facilitate economic growth, encourage new business, redevelop a blighted area to a more productive use, and provide new employment and housing opportunities in our community.

Once again, I would like to take this opportunity to offer my commitment and full support to the West Scranton Revitalization Project. If you should have any questions, please do not hesitate to contact me directly. Thank you in advance for your time and consideration of this letter of commitment and support.

Sincerely,


William L. Courtright
Mayor, City of Scranton



March 20, 2017

Atty. Jessica Boyles
City Solicitor
340 North Washington Avenue
Scranton, Pennsylvania 18503

Re: West Scranton Revitalization Project
Redevelopment Assistant Capital Program (RACP)
2,500,000.00

Dear Atty. Boyles:

Attached please find the Resolution for applying, accepting and disbursing funding from RACP in the amount of \$2,500,000.00. This Resolution is needed in order for the PA Office of the Budget to move forward with the application.

If you have any questions regarding this project, please contact me or Linda Aebli at 348-4216.

Sincerely,

Linda B. Aebli
Executive Director

lba/

RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FROM THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATING THE USE OF THE GRANT FUNDS WITH "MAIN SWETLAND LLC AND SOUTHSIDE XPRESS MARTS, INC. FOR THE PROJECT TO BE NAMED THE "WEST SCRANTON REVITALIZATION PROJECT".

WHEREAS, a blighting influence exists due to the deteriorating condition of the 1100 and 1200 blocks of South Main Avenue, Scranton, Pennsylvania, and

WHEREAS, Main Swetland LLC and Southside Xpress Marts, Inc. have developed a plan for the elimination of blight in this section of West Scranton and the project shall be known as the "West Scranton Revitalization Project" (the Project"); and

WHEREAS, the City of Scranton, in coordination with "Main Swetland LLC", 170 S. Highland Drive, Pittston, Pennsylvania 18640 and Southside Xpress Marts, Inc., or their designees, is desirous of obtaining funds from the Commonwealth of Pennsylvania's Office of the Budget, Redevelopment Assistance Capital Program (RACP) in the amount of \$2,500,000.00 for prevention and elimination of blight in this area;

WHEREAS, Main Swetland LLC proposes to design and construct a new two-story 16,000 square foot building and make other improvements on the westerly side of the 1100 block of South Main Avenue in Scranton, Lackawanna County, Pennsylvania through the Redevelopment Assistance Capital Program (RACP); and

WHEREAS, Southside Xpress Marts, Inc. plans to demolish its corporate headquarters on the easterly side of the 1200 block of South Main Avenue and build additional commercial space along with other improvements through the Redevelopment Assistance Capital Program (RACP); and

WHEREAS, the City will partner with "Main Swetland LLC" and Southside Xpress Marts, Inc., or their designees, as the applicant for the grant funds from Commonwealth of Pennsylvania's Office of the Budget and disburse the funds to the City to fund the Project; and

WHEREAS, the City will reimburse the Commonwealth of Pennsylvania's Office of the Budget for any expenditures found by the Commonwealth of Pennsylvania's Office of the Budget to be ineligible; and

WHEREAS, the details of the Project costs and breakdown are detailed in the grant application a copy of which is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are hereby authorized to apply for, execute and submit a grant application to the Pennsylvania Office of the Budget for the Redevelopment Assistance Capital Program (RACP); substantially in the form attached hereto, and if successful, to accept the grant funds to be used for the Project as detailed in the grant application. This approval anticipates the execution of any and all related documentation which may be necessary to complete the grant application.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

TAB 18.

RESOLUTION TO FILE APPLICATION BY APPLICANT

West Scranton Revitalization Project
City of Scranton, Lackawanna County

TAB 19.

**COOPERATION AGREEMENT OR ORDINANCE BY
HOST MUNICIPALITY**

West Scranton Revitalization Project
City of Scranton, Lackawanna County

UNDER PREPARATION

TAB 20.

**COOPERATION AGREEMENT WITH
ADMINISTRATOR/SUBAPPLICANT**

West Scranton Revitalization Project
City of Scranton, Lackawanna County

UNDER PREPARATION

TAB 21.
OPINION OF COUNSEL

West Scranton Revitalization Project
City of Scranton, Lackawanna County



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

October 31, 2016

Mr. Steven Heuer
Office of the Budget
Bell Tower – 7th Floor
303 Walnut Street
Harrisburg, PA

Re: Redevelopment Assistance Capital Program Grant (RACP)
West Scranton Revitalization Project
Scranton, Pennsylvania 18503
Tab 21 – Statement of Compliance Requirements
\$2,500,000.00

Dear Mr. Heuer:

I am the Solicitor for the City of Scranton (hereinafter referred to as "Applicant"). The Applicant has made an application for a Two Million Five Hundred Thousand (\$2,500,000.00) Dollar Grant from the Commonwealth of Pennsylvania's Office of the Budget Redevelopment Assistance Capital Program for the rehabilitation of the project to be call "**West Scranton Revitalization Project**" ("the Project").

In connection with the aforementioned application, I am of the opinion that:

- (a) The Applicant is a City of the Second Class A organized and existing under the laws of the Commonwealth of Pennsylvania, with offices located at 340 North Washington Avenue, Municipal Building, Scranton, Pennsylvania 18503
- (b) There is no pending litigation against the Applicant that would have a material effect on the project; and
- (c) The Applicant can legally contract with the Commonwealth of Pennsylvania for financial assistance and has met all state/federal requirements.

The opinion herein is to the best of my knowledge and is made without any independent investigation or verification on my part. This opinion is limited to the matters expressly set forth herein, and no opinions are to be inferred or may be implied beyond the opinion expressly set forth herein. This opinion is as of the date

Mr. Steven Heuer

Re: Redevelopment Assistance Capital Program Grant (RACP)

West Scranton Revitalization Project

October 31, 2016

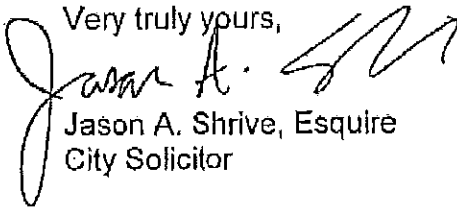
Page 2 of 2

Tab 21

hereof, and I undertake no obligation and hereby disclaim any obligation to advise of any change in the opinion set forth herein, whether based on a change in the law or any other circumstance.

This opinion is being delivered solely in connection with the application of the Applicant for said Grant and for no other purpose. Accordingly, without limitation, this opinion may not be quoted, in whole or in part; or otherwise referred to or filed with any other governmental authority or other regulatory agency, or otherwise circulated, utilized or relied upon for any other purpose without my prior written consent.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Jason A. Shrive", written over the typed name.

Jason A. Shrive, Esquire
City Solicitor

JS/lba

Cc: Linda B. Aebli, Executive Director, OECD
Mr. Frank Cawley, Main Swetland, LLC
Mr. Chris Cawley, Ashburn Advisors, LLC
Atty. Samuel A. Falcone, Jr.

TAB 22.
EMINENT DOMAIN

West Scranton Revitalization Project
City of Scranton, Lackawanna County

NOT APPLICABLE



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 22, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 23 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO APPLY FOR AND EXECUTE A GRANT FROM THE REDEVELOPMENT ASSISTANCE CAPITAL PROGRAM (RACP) THROUGH THE COMMONWEALTH OF PENNSYLVANIA'S OFFICE OF THE BUDGET IN THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND (\$2,500,000.00) DOLLARS; ACCEPTING AND DISBURSING THE GRANT IF THE APPLICATION IS SUCCESSFUL; AND COORDINATING THE USE OF THE GRANT FUNDS WITH MAIN SWETLAND LLC AND SOUTHSIDE XPRESS MARTS, INC. FOR THE PROJECT TO BE NAMED THE "WEST SCRANTON REVITALIZATION PROJECT".

Respectfully,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

5C

RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT FOR PROFESSIONAL SERVICES WITH THOMAS J. MCLANE AND ASSOCIATES INC. FOR THE PROFESSIONAL DESIGN AND ENGINEERING SERVICES TO PREPARE DOCUMENTS FOR CONSTRUCTION OF A WATER SPRAY PARK AND RELATED RECREATION SITE IMPROVEMENTS AT NOVEMBRINO PARK.

WHEREAS, Novembrino Park in West Scranton is in need of substantial renovations and rehabilitation; and

WHEREAS, renovations and rehabilitation of the pool area and grounds need the expertise of a design professional with particular expertise in landscape planning and design, and recreation planning and design; and

WHEREAS, Thomas J. McLane and Associates, Inc. has the necessary landscape and recreation planning and design expertise to assist the City with the renovations and rehabilitation of Novembrino Park. A copy of the Contract for Professional Services is attached hereto as Exhibit "A" and incorporated herein by reference hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City officials are authorized to execute and enter a contract with Thomas J. McLane and Associates, Inc. for professional design, preparation of construction documents and construction support services relating to the renovations and rehabilitation of Novembrino Park pursuant to the scope and costs as outlined in the proposal attached hereto and made a part hereof.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Resolution, and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon passage.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of the Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

CONTRACT FOR PROFESSIONAL SERVICES

This Contract is made and entered into this ____ day of _____, 2017, by and between the **City of Scranton**, Lackawanna County, Pennsylvania, herein after referred to as ("**The City**"), and Thomas J. McLane and Associates, Inc., herein after referred to as ("**Consulting Firm**").

WHEREAS, the **The City** desires to have certain one-time professional consulting work performed involving the design and engineering services to prepare documents for construction of a water spray park and related recreation site improvements, and;

WHEREAS, the **The City** desires to enter into a contract for this work pursuant to completing working drawings based on conceptual plans previously prepared by the **Consulting Firm**, and;

WHEREAS, the **Consulting Firm** desires to perform the work in accordance with the proposal it submitted, and;

WHEREAS, the Consulting Firm is equipped and staffed to perform the work.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

THE CONSULTING FIRM SHALL:

1. Provide professional consulting services in accordance with the proposed Scope of Work, Fee Schedule and the Nondiscrimination/Sexual Harassment Clause, which are attached hereto and incorporated herein as Appendix A.
2. Obtain approval from the **The City** of any changes to the staffing stated in its proposal. However, approval will not be denied if the staff replacement is determined by the **The City** to be of equal ability or experience to the predecessor.

THE CITY SHALL:

1. Compensate the Consulting Firm based on the actual hours worked and actual reimbursable expenses for a total amount not to exceed \$50,460.00 (FIFTY THOUSAND FOUR HUNDRED SIXTY DOLLARS).
2. Provide the Consulting Firm with reasonable access to city personnel, facilities, and information necessary to properly perform the work required under this contract.
3. Make payment to the Consulting Firm within 30 days after receipt of a properly documented and prepared invoice for work satisfactorily performed to date.

IT IS FURTHER AGREED THAT:

1. All copyright interests in work created under this Contract are solely and exclusively the property of the **The City**. The work shall be considered work made for hire under copyright law; alternatively, if the work cannot be considered work made for hire, the Consulting Firm agrees to assign and, upon the creation of the work, expressly and automatically assigns, all copyright interests in the work to the **The City**.
2. In the performance of services under this Contract, there shall be no violation of the right of privacy or infringement upon the copyright or any other proprietary right of any person or entity.
3. **Insurance:** The Consulting Firm shall procure and maintain, at its own cost and expense, insurance with companies that have an A.M. Best's Rating of not less than A- and acceptable to City of Scranton, with coverage limits of not less than stipulated below. The City of Scranton, the Commonwealth of Pennsylvania, and their respective officers, employees, directors, boards, Commissions and agents, shall be included as Additional Insureds on the General Liability, Automobile Liability and Excess/Umbrella Liability Insurance policies. An endorsement is required stating that the Consulting Firm's policies will be primary to any other coverage available to the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents. Any insurance maintained by the City of Scranton will be excess and non-contributory. Furthermore, no act or omission of the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall invalidate the coverage. All insurance coverage must be kept in effect during the Contract Period. Loss of insurance coverages could result in the voiding/termination of the Contract.
 - **Worker's Compensation and Employers Liability.** Worker's Compensation Insurance as required by statute. Employers Liability coverage to be carried with limits of not less than \$1,000,000.00/per accident, \$1,000,000.00/disease (policy limit), \$1,000,000.00/disease (each employee).
 - **Commercial General Liability.** Commercial General Liability Insurance is required with limits of not less than \$1,000,000.00 Each Occurrence; \$2,000,000.00 General Aggregate; \$2,000,000.00 Products/Completed Operations Aggregate and \$1,000,000.00 Personal/Advertising Injury. The policy shall also cover liability arising from Blanket Contractual, Broad Form Property Damage, liability assumed under an insured contract (including tort liability of another assumed in a business contract), and Personal Injury (including coverage for discrimination, defamation, harassment, malicious prosecution, slander, and mental anguish). Products

and Completed Operations must be included. ISO Endorsement CG 21 39 10 93 (Contractual Liability Limitation) shall not apply to this contract. Such policy must contain a "Severability of Interests" clause. This insurance shall be excess over any other insurance, whether primary, excess, contingent, or on any other basis, that is available to the contractor or its subcontractor covering liability for damages because of Bodily Injury or Property Damage for which the contractor has been included as an Additional Insured. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.

- Automobile Liability. Business Automobile Liability covering all owned, non-owned, and hired autos in required with limits of not less than \$1,000,000.00 Combined Single Limit for Bodily Injury and Property Damage. Such policy must contain a "Severability of Interests" clause. The City of Scranton, and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
- Excess/Umbrella Liability. The Consulting Firm shall provide evidence of Excess/Umbrella Liability Insurance with limits of not less than \$5,000,000.00 in Any One Claim or Occurrence. Coverage shall include, but not be limited to, coverage provided by any underlying insurance. Underlying insurance shall include all liability coverage required by this contract except Professional Liability/Errors or Omissions coverage as outlined below. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
- Professional Liability/Errors & Omissions Coverage. Evidence of Professional Liability/Errors & Omissions coverage, including Privacy Liability, must be provided, with limits of not less than \$10,000,000.00, with a deductible not to exceed \$10,000.00. Errors & Omissions coverage shall be applicable to any occurrence arising out of the performance of services required under the Professional Services Contract and shall cover liability arising from information technology services including, but not limited to, intellectual property infringement, privacy infringement, and, if applicable, software development services and computer or electronic information technology services. Coverage under an occurrence form shall be maintained in full force and effect under the policy during the contract period. Under a claims made form, continuous coverage is required. Should an Extended Discovery Period or "tail" coverage be required in the

event coverage is terminated, such coverage must be maintained for a period of not less than three (3) years.

- Fidelity/Blanket Crime Insurance. Evidence of Fidelity/Blanket Crime Insurance with an Employee Dishonesty limit of not less than \$5,000,000.00 shall be submitted to the City of Scranton prior to the commencement of services. The Consulting Firm must maintain Third Party (includes money, securities, client's property, and other properties) coverage under the Crime policy. The City of Scranton shall be included as a co-loss payee. A copy of the actual Loss Payee Endorsement is required.

In witness thereof, the parties hereto have executed this Contract on the day and date set forth above.

WITNESS:

FOR THE CITY:

TITLE: _____

WITNESS:

Paul Bechtel

Paul Bechtel

FOR THE CONSULTING FIRM:

Thomas J. McLane

Thomas J. McLane, R.L.A., ASLA

TITLE: President

Appendix A: Scope of Work
Fee Schedule
Nondiscrimination/Sexual Harassment Clause
Business Insurance Certifications

CITY OF SCRANTON

ATTEST:

BY: _____
Lori Reed, City Clerk

Date: _____

BY: _____
William L. Courtright, Mayor

Date: _____

BY: _____
Roseann Novembrino, City Controller

Date: _____

APPROVED AS TO FORM:

BY: _____
Jessica L. Boyles, Esq., City Solicitor

Date: _____

THOMAS J. McLANE AND ASSOCIATES, INC.

*Landscape Architecture
Environmental Science
Recreation Planning*

*601 Stafford Avenue
Scranton, PA 18505*

Ph: (570) 347-3668

Fax: (570) 341-5413

tmclane@mclaneassociates.com

www.mclaneassociates.com

January 31, 2017

City of Scranton
340 North Washington Avenue
Scranton, PA 18503

Attn: Mr. David Bulzoni, Business Administrator
Re: Professional Services Proposal for the Novembrino Water Spray Park

Dear Mr. Bulzoni:

I pleased to submit the enclosed proposal for professional design and engineering services for the renovation of the Novembrino Pool site into a public outdoor water spray park.

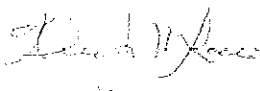
As you are aware, our design team has been actively engaged in numerous schematic designs and budgeting efforts for the renovation of Novembrino Pool Complex since 2010. We believe the current conceptual design plans are complementary to the existing pool use, and that they will transform this rapidly deteriorating area into a vibrant and colorful outdoor water spray park for all city residents to enjoy.

Due to our extensive past conceptual design involvement, we believe our design team is best suited to seamlessly develop the approved concept plans into final design and construction documents.

Please note that are three itemized consultant proposals attached; Thomas J McLane and Associates, Inc., Peters Design Group and Willian Senapedis, Professional Land Surveyor. The Fee Proposal Total for all consultants is \$50,460.00. A summary of the consultant's combined fees is located in PART D: CONSULTANT FEE SUMMARY on the bottom of page five (5) of the McLane Associate's Scope of Services.

I thank you for the opportunity to submit this proposal, should you have any questions or require any additional information please contact our office.

Respectfully submitted,



Thomas J. McLane, R.L.A., A.S.L.A.
President

SCOPE OF WORK

PART A: PRELIMINARY DESIGN

A1: Field Assessment and Mapping

A1a: Topographic Base Map

The consultant team will format the raw base map provided by the surveyor for use in preparation of preliminary design plans, and construction drawings including; line weight adjustments, scaling, north arrow, title blocks, legends, logos, project location map and other graphic standards as necessary to accurately convey the existing site conditions.

A1b: Utility Service Coordination (PA One Call)

Prior to the surveyor commencing fieldwork, the city engineer and/or DPW Director will register the project with PA One Call System to identify and accurately mark in the field all known below ground utility lines and facilities. The consultant team will attend any required on-site coordination meetings with utility companies and respond to correspondence and/or review comments.

A1c: Site Inventory and Analysis

The consultant team will thoroughly examine and assess the study area including:

- structural conditions of the existing pavilion and changing rooms/restrooms
- locate and evaluate all mechanical, electrical, water service, storm and sanitary sewer systems
- identify observable natural features including surface and subsurface soils and geology and drainage patterns
- identify, locate, evaluate and quantify all manmade site fixtures: fences, curbs, walks and drainage conveyances
- identification and delineation of any wetlands, floodplains or water bodies
- the identification of surrounding property ownership and land uses
- the presence of existing soil erosion and/or surface drainage issues
- the identification of aggressive, weedy, invasive vegetation within the project area
- include all items contained in the PA DCNR Site development Plan Checklist

A2: Design Development Drawings

A2a: Project Coordination Meetings

The kick-off meeting will provide the opportunity for the City Parks, DPW and Engineering staff and the consultant team to establish the work schedule, the time and place for future meetings and field visits, etc. At the second meeting, the consultant will present the preliminary park improvements concepts for the spray park layout. Any subsequent meetings will center on design development decisions, budgets, schedule and details of construction documents.

A2b: Prepare Preliminary Design Drawings

Using information gathered during the Site Inventory and Analysis and from meetings with City of Scranton staff *et. al.*, the Consultant will prepare a preliminary design package for review and approval by City of Scranton and PA DCNR. The preliminary design will identify and delineate the proposed spray park and all associated site improvements in various plan, sections, and elevation views. This design will also identify various site amenities and their locations, which may include benches, trash receptacles, lighting, kiosks and/or signage.

The preliminary design plans prepared by the consultant team will also provide innovative solutions to mediate any existing drainage deficiencies by promoting sheet flow, increasing native vegetation and adding bioretention/rain garden areas to improve stormwater runoff water quality. The consultant will coordinate with the Scranton Sewer Authority to determine any water quantity/water quality improvements they may incorporate into the project. Additionally, green infrastructure features will provide opportunities for interpretive/educational signage as well as creating an inviting natural setting.

A2c: Opinion of Probable Cost (based on preliminary design)

The consultant team will prepare an opinion of probable costs for the proposed improvements based on the preliminary design drawings. This will allow City of Scranton to make informed budgeting decisions as to final scope of improvements as the designs progresses from preliminary to final design.

A2d: Final Design Drawings

The consultant shall revise and update the preliminary design plans based on comments received by City of Scranton and PA DCNR. The final design will meet and/or exceed all ADA Accessibility Guidelines; meet or exceed the Consumer Product Safety Commission's and ASTM standards for public playgrounds and safety surfacing; and will comply with all current applicable national, state and local building codes. The final construction documents will include, at a minimum, the following components:

- Existing Conditions Site Plan including topography and property boundary as prepared by a professional land surveyor (PLS)
- Site Demolition Plan (Scranton DPW will perform all site demolition and debris removal and disposal)
- Architectural Engineering drawings for up-grades and renovation of the existing Utility Building.
- Male/Female Restrooms Addition - to be added to the existing pool utility building.
- Site Utility Plan showing all existing and proposed utility services, proposed alterations and connections
- Site Grading and Drainage Plans
- Site Improvements Layout Plan
- Spray park construction plans, details and specifications

A3: Permitting

A3a: NPDES and Erosion & Sedimentation Control Permits

The consultant team will prepare site soil erosion and sedimentation control plans for compliance with Pennsylvania Clean Stream Law (35 P.S. 691.1 et. seq.), Regulations at 25 PA Code Chapter 102. We anticipates that the earth disturbance area will less than one acre but more than 5,000 square feet in area. This project will not require a PA DEP NPDES Stormwater or Erosion and Sedimentation Control Plan submissions. Erosion and Sedimentation Plans and applicable stormwater plans and calculations will be required to be submitted to the Lackawanna County Conservation district and the City Engineer for review. Upon satisfactory review, the City Engineer and Conservation District will issue a stormwater and E&S adequacy letters. The approved plans will become part of the contract documents and must be maintained on-site at all times during construction.

A3b: Scranton Sewer Authority Connection Permit

The consultant team will prepare and submit a Sewer Connection Permit request to the the Scranton Sewer Authority for connections to the sanitary and stormwater system.

A3c: Meetings with Regulatory Agencies

The consultant team anticipates meetings with the following regulatory and municipal agencies:

- Lackawanna County Conservation District
- Scranton City Engineer
- Scranton Department of Public Works
- Bureau of Parks and Recreation Director
- Pa DCNR Regional Representative

PART B: CONSTRUCTION DRAWINGS AND BID PACKAGE

The Consultant shall prepare final construction plans, specifications, and all documentation necessary for public bidding of the Novembrino Spray Park Improvements. At a minimum, the construction drawings and bid package will include the following:

B1: Construction Plans

The consultant team will prepare a construction bid package for submittal, review, and approval by City of Scranton and other funding sources. The construction package will be based on the results of design coordination meetings, the Preliminary Design Plans and permitting requirements. The consultant team will prepare and submit packages for review agencies and City of Scranton in paper and electronic format. Drawings will conform with standard professional practice and consist of all architectural and engineering drawings, including profiles and sections, plot and site plans.

The construction drawings package will tentatively include, at a minimum, the following: Existing Conditions Plan; Demolition Plan; Site Layout Plan; Construction Details; Erosion and Sedimentation Control Plan, and all other incidental plans and documents.

The Professional Seal of the appropriate design professional (designing landscape architect, architect, engineer and surveyor) will appear on the drawings for all contract work.

B2: Opinion of Probable Cost (based on construction drawings)

An itemized opinion of probable cost for each construction line item will be prepared. Terminology and contents of the opinion of probable cost will be consistent with drawings and specifications terminology.

B3: Bid Package

The consultant team will prepare a construction bid package documents to include but not necessarily limited to the following:

B3a: Project Manual

The Project Manual will include the general and special conditions of the contract for construction and the following documents: Bid Proposal; Unit Price Sheet; Bid Form; Bid Bond; Statement of Bidder's Qualifications; Certification of Non Segregated Facilities; Non-Collusion Affidavit of Prime Bidder; Certification of Equal Employment (Non-Discrimination & Sexual Harassment Policy); Performance Bond; Labor and Material Bond; Maintenance Bond; and Construction Contract Agreement.

B3b: Technical Specifications

The design team will prepare technical specifications to establish detailed qualitative requirements for materials

and workmanship. Specifications will set requirements for strength, size and other physical qualifications, standards and methods of workmanship for construction or manufacture of products used, and guarantees of components and materials. Nomenclature in specifications will be consistent with drawings and cost estimates.

B3c: Itemized Bid Form

The itemized bid form will essentially be the itemized opinion of probable cost described above with the consultant team's unit prices removed. An itemized bid form will help to assess the completeness and accuracy of the bids received and identify obvious line item errors and/or omissions.

B3d: PA DCNR Design Submission

The consultant team will submit all construction contract documents, including but not limited to bid schedule, bond forms (bid, performance, payment), construction specifications and agreements, compliance forms, etc. to PA DCNR for review prior to bidding. The design team will address any comments or questions.

B4: Bidding Process

The consultant team will assist the city in preparing the coordinating the bidding process, including the printing and distribution of bid documents. The City will place the legal ad in the newspaper, print and distribute bid documents, and retain a contact list of plan holders.

B4a: Pre-bid Meeting

A Pre-bid meeting will be held at the Novembrino Park so that all bidders may become familiar with the conditions under which the work will be performed and to identify logistical, staging, access or other site constraints. The consultant team will lead the meeting, answer any questions and prepare meeting minutes.

B4b: Respond to Bidders Inquiries

The consultant team will respond to inquiries via addenda during this stage.

B4c: Bid Review, Tabulation and Recommendations

The city will schedule and conduct the receipt and opening of contractor bids. Subsequent to receiving bids, the consultant team will provide the city with a technical review of all bids received including; compiling a bid tabulation spreadsheet and checking bid work item numbers. Upon completion of the technical review, the consultant will make recommendations to the City as to the completeness, accuracy, qualifications and experience of each bidder's submission. The City will, at its sole discretion, award the bid to the lowest qualified bidder.

PART C: CONSTRUCTION PHASE

C1: Construction Support Services

Following the city's selection of a contractor and award of the contract for construction, the consultant team will assist the City during the duration of the construction phase. The construction support services will include but are not necessarily limited to the following::

C1a: Pre-construction Meeting

The consultant team will prepare and distribute agendas for a preconstruction meeting. Minutes of this meeting will be prepared and distributed to applicable members of the project team.

C1b: Project Coordination Meetings

The consultant will schedule and participate in periodic construction coordination meetings in order to communicate effectively with the contractor and to keep the city's representative abreast of the progress of the work. Any unforeseen field conditions and/or interruptions to the schedule will be immediately addressed and resolved.

C2: Construction Administration Support

C2a: Review of Shop Drawings

The consultant team will review shop drawings, cut sheets and materials submissions for compliance with technical requirements of the contract documents.

C2b: Requests for Information (RFIs)

The consultant team will respond to RFIs issued by the contractor to clarify aspects of construction throughout the project duration. All RFIs and responses will be submitted in writing and become part of the official contract documents.

C2c: Issuing Bulletins

Contract bulletins will be issued to the entire project team to serve as official documentation of clarifications and/or changes to the original approved contract documents.

C2d: Contractor Payment Applications and Contract Change Orders

The consultant team will review payment applications submitted by the contractor to ensure they are completed correctly in accordance with the contract and in the format dictated by the project funding sources, and to ensure that the payment requested is representative of work properly completed. The consultant will also review any change orders to ensure that they are representative of the changes required, and to ensure that pricing is consistent with contract unit pricing. Prices for materials or services not covered under base contract unit pricing will be reviewed to ensure fair pricing. The consultant will track changes to the construction contract and its balance until the closeout of the project, including approved change orders and applications for payment. The consultant will organize and maintain the contract information, changes, payments, etc. as required to assist City of Scranton in maintaining compliance with the Commonwealth of PA funding programs.

C2e: Inspection of installed Features and Preparation of Punch List

The consultant will conduct periodic site visits at significant milestones during the construction process and, upon a request by the contractor, conduct a substantial completion inspection. All deficiencies will be documented and the consultant will notify the city and contractor of all remaining punch list items. The contractor and City will be notified upon satisfactory completion of all work items.

PART D: CONSULTANT FEE SUMMARY

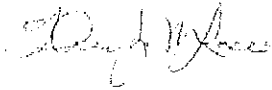
Thomas J. McLane and Associates, Inc.	\$27,970.00
Peters Design Group	\$17,490.00
William Senapedis professional Land Surveyor	<u>\$5,000.00</u>
PROPOSAL TOTAL =	\$50,460.00

PART E: ASSUMPTIONS & EXCLUSIONS

- PA DEP NPDES permits are not expected to be required and are not included in the proposed scope of work or consultant fees.
- Construction documents will comply with the PA DCNR Site Development Master Plan Drawing Checklist.
- All site and architectural improvements shall meet or exceed the standards, guidelines and recommendations of the American with Disabilities Act, (ADA).
- All design work will be in accordance with all currently accepted recreation planning and design standards for public parks and play areas.

I thank you for the opportunity to submit this proposal, should you have any questions or require any additional information, please contact my office.

Sincerely,



Thomas J. McLane, R. L. A., A.S.L.A.
President

Enc: PA DCNR MSD Plan Checklist
Thomas J. McLane and Associates, Inc. - Proposal and Fee Proposal
Peters Design Group - Scope of Work/Fee Proposal
William Senapedis, PLS - Scope of Work/Fee Proposals

PART A: PRELIMINARY DESIGN =**\$15,425.00**

TASKS	Hours	Rate	Total
A1 Field Assessment and Mapping			\$3,870.00
A1a Topographic Base Map			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	6	\$65.00	\$390.00
Subtotal =			<u>\$730.00</u>
A1b Utilities Evaluation			
Landscape Architect	2	\$85.00	\$170.00
Environmental Scientist/Project Manager	2	\$75.00	\$150.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
Subtotal =			<u>\$450.00</u>
A1c Site Inventory & Analysis			
Landscape Architect	12	\$90.00	\$1,080.00
Environmental Scientist/Project Manager	12	\$80.00	\$960.00
Admin./Computer Graphics/CADD	10	\$65.00	\$650.00
Subtotal =			<u>\$2,690.00</u>
A2 Design Development Drawings			\$9,505.00
A2a Project Coordination Meetings			
Landscape Architect	4	\$90.00	\$360.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
Subtotal =			<u>\$745.00</u>
A2b Preliminary Design Drawings			
Landscape Architect	12	\$90.00	\$1,080.00
Environmental Scientist/Project Manager	12	\$80.00	\$960.00
Admin./Computer Graphics/CADD	24	\$65.00	\$1,560.00
Subtotal =			<u>\$3,600.00</u>
A2c Opinion of Probable Construction Costs			
Landscape Architect	3	\$90.00	\$270.00
Environmental Scientist/Project Manager	8	\$80.00	\$640.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
Subtotal =			<u>\$1,040.00</u>
A2d Final Design Development Drawings			
Landscape Architect	12	\$90.00	\$1,080.00
Environmental Scientist/Project Manager	12	\$80.00	\$960.00
Admin./Computer Graphics/CADD	32	\$65.00	\$2,080.00
Subtotal =			<u>\$4,120.00</u>
A3 Permitting			\$2,050.00
A3a NPDES & E&S Control Plans			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	6	\$80.00	\$480.00
Admin./Computer Graphics/CADD	4	\$65.00	\$260.00
Subtotal =			<u>\$920.00</u>
A3b Scranton Sewer Connection Permit			
Landscape Architect	1	\$90.00	\$90.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
Subtotal =			<u>\$380.00</u>
A3c Regulatory Agency Meetings			
Landscape Architect	3	\$90.00	\$270.00
Environmental Scientist/Project Manager	6	\$80.00	\$480.00
Admin./Computer Graphics/CADD	0	\$65.00	\$0.00
Subtotal =			<u>\$750.00</u>

PART B: CONSTRUCTION DOCUMENTS**\$8,935.00**

TASKS	Hours	Rate	Total
B1 Construction Plans			\$4,420.00
Landscape Architect	12	\$90.00	\$1,080.00
Environmental Scientist/Project Manager	12	\$80.00	\$960.00
Project Architect (restrooms)	20	\$80.00	\$1,600.00
Admin./Computer Graphics/CADD	12	\$65.00	\$780.00
<i>Subtotal =</i>			\$4,420.00
B2 Opinion of Probable Construction Costs			\$565.00
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
<i>Subtotal =</i>			\$565.00
B3 Bid Package			\$2,575.00
B3a Project manual			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	6	\$80.00	\$480.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
<i>Subtotal =</i>			\$790.00
B3b Technical Specifications			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	6	\$80.00	\$480.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
<i>Subtotal =</i>			\$790.00
B3c Itemized Bid form			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	4	\$65.00	\$260.00
<i>Subtotal =</i>			\$760.00
B3d PA DCNR and City of Scranton Submission			
Landscape Architect	1	\$90.00	\$90.00
Environmental Scientist/Project Manager	1	\$80.00	\$80.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
<i>Subtotal =</i>			\$235.00
B4 Bidding Process			\$1,375.00
B4a Pre-bid Meeting			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
<i>Subtotal =</i>			\$405.00
B4b Respond To Bidder Inquires			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
<i>Subtotal =</i>			\$565.00
B4c Bid Tabulation			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
<i>Subtotal =</i>			\$405.00

PART C: CONSTRUCTION PHASE**\$3,610.00**

TASKS	Hours	Rate	Total
C1 Construction Support Services			\$1,025.00
C1a Pre-construction Meeting			
Landscape Architect	1	\$90.00	\$90.00
Environmental Scientist/Project Manager	1	\$80.00	\$80.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
Subtotal =			\$235.00
C1b Project Coordination Meetings			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	6	\$80.00	\$480.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
Subtotal =			\$790.00
C2 Construction Administration Support			\$2,585.00
C2a Review Shop drawings			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
Subtotal =			\$565.00
C2b Request for information			
Landscape Architect	1	\$90.00	\$90.00
Environmental Scientist/Project Manager	5	\$80.00	\$400.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
Subtotal =			\$555.00
C2c Issuing Bulletions			
Landscape Architect	1	\$90.00	\$90.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	2	\$65.00	\$130.00
Subtotal =			\$380.00
C2d Contractor Payment Applications & Change Orders			
Landscape Architect	2	\$90.00	\$180.00
Environmental Scientist/Project Manager	2	\$80.00	\$160.00
Admin./Computer Graphics/CADD	0	\$65.00	\$0.00
Subtotal =			\$340.00
C2e Inspections & Project Closeout			
Landscape Architect	4	\$90.00	\$360.00
Environmental Scientist/Project Manager	4	\$80.00	\$320.00
Admin./Computer Graphics/CADD	1	\$65.00	\$65.00
Subtotal =			\$745.00
McLANE ASSOCIATES PROPOSAL TOTAL			\$27,970.00

PETERS DESIGN GROUP INC.

Approach to Planning and Scope of Work Deliverables

- We initiate all projects with a meeting with the client and their representatives to establish a solid scope for the project.
- Field review the project site(s) to finalize the scope for each area.
- Conduct a field investigation to characterize and quantify the work of the project
- Prepare a budgetary estimate based upon the field investigation.
- Meet with the client to discuss initial findings and discuss possible alternates and/or base bids.
- Discuss the General Conditions of Construction Contract to identify format.
- Prepare the Contract Documents and finalize the probable construction cost estimate.
- Review the Contract Documents with the client and advertise the Invitation to Bid.
- Respond to “Requests For Information” by the bidders and issue addendum as required.
- Attend the bid opening, review the bids, make a recommendation for award.
- Review submittals and/or shop drawings and requests for payment as submitted by the contractor(s).
- Provide clarifications as required by the contractor and make construction observations on a two week interval basis.
- Provide “punch list” items and recommend acceptance with final payment at project conclusion.

Scope of Services

1. Provide an evaluation of existing conditions with regards to the mechanical, plumbing, and electrical features associated with the structures and utility service(s)
2. Provide engineering designs for mechanical, plumbing, and electrical systems that respond to the agreed upon designs for the renovations to the Novembrino Pool Complex.
3. Provide engineering designs for the civil site development systems that respond to the agreed upon designs for the renovations to the Novembrino Pool Complex.
4. Provide plans and specifications that delineate the work of the aforementioned items 1,2,&3 and formulate construction contract documents.
5. Provide bid services as noted under “deliverables”
6. Provide construction period services as noted under “deliverables”
7. Provide periodic construction observation as noted under “deliverables”
8. Provide project closeout services as noted under “deliverables”

PETERS DESIGN GROUP INC.

Project: City of Scranton
Renovations to Novembrino Pool Complex

Date: 01-19-17

PHASE 1: Site Evaluation

Discipline	Proj. Hrs.	Rate \$	Cost
Project Engineer	2	150	\$300.00
Project Manager	2	140	\$280.00
Structural Engineer	0	140	\$0.00
Mechanical Engineer	2	125	\$250.00
Plumbing Engineer	2	125	\$250.00
Mechanical Designer	0	90	\$0.00
Electrical Engineer	2	125	\$250.00
Electrical Designer	0	90	\$0.00
Architect	0	145	\$0.00
Civil Engineer	0	120	\$0.00
CADD	0	70	\$0.00
Clerical	2	55	\$110.00
Reimb Exp (See Attached)		LS	\$100.00

SUBTOTAL \$1,540.00

PHASE 2: Design

Discipline	Proj. Hrs.	Rate \$	Cost
Project Engineer	8	150	\$1,200.00
Project Manager	16	140	\$2,240.00
Structural Engineer	2	140	\$280.00
Mechanical Engineer	4	125	\$500.00
Plumbing Engineer	10	15	\$150.00
Mechanical Designer	0	90	\$0.00
Electrical Engineer	12	125	\$1,500.00
Electrical Designer	4	90	\$360.00
Architect	0	145	\$0.00
Civil Engineer	14	120	\$1,680.00
CADD	80	70	\$5,600.00
Clerical	16	55	\$880.00
Reimb Exp (See Attached)		LS	\$200.00

SUBTOTAL \$14,590.00

PHASE 3: Construction Period Services

Discipline	Proj. Hrs.	Rate \$	Cost
Project Engineer	2	150	\$300.00
Project Manager	4	140	\$560.00
Structural Engineer	0	140	\$0.00
Mechanical Engineer	1	125	\$125.00
Plumbing Engineer	1	15	\$15.00
Mechanical Designer	0	90	\$0.00
Electrical Engineer	2	125	\$250.00
Electrical Designer	0	90	\$0.00
Architect	0	145	\$0.00
Civil Engineer	0	120	\$0.00
CADD	0	70	\$0.00
Clerical	2	55	\$110.00
Reimb Exp (See Attached)		\$0.00	\$0.00

SUBTOTAL \$1,360.00

TOTAL

\$17,490.00

William T. Senapedis, P.L.S.
357 North Bromley Avenue
Scranton, PA 18504
Office: 570-562-1962
COST PROPOSAL

January 26, 2017
McLane Associates
C/O Mr. Thomas McLane
106 Stafford Avenue
Scranton, PA

RE: Topographic Survey
Novenbrino Pool Complex
10th Avenue
Survey Services as noted
City of Scranton
Lackawanna County, PA

PROPOSAL FOR SURVEY SERVICES :

Topographic Survey and Mapping of the area as shaded in red on the attached scan, from the building line on the northwest side of 10 th Avenue, to the top of bank along the southeast, and to lands of St. Lucy's Church, (PIN: 156.06-030-001.01), to the northeast, and to lands of Mary Regina, LLC, (PIN:156.06-030-001.02), to the southwest.

Topographic Services	\$ 3,850.00

Also boundary for the area shown in red, between, lands of St. Lucy's and Mary Regina, LLC, the southeasterly right-of-way of 10 th. Avenue, and the top of bank to the southeast.

Boundary Services	\$ 1,150.00

Note: If existing utilities are to be shown it will be the responsibility of the City of Scranton to do a One Call before the topographic Survey is conducted. Also there is some question as to where some storm water facilities within the red area, the City of Scranton should be counted on to supply the location of storm and/or sanitary facilities.

Respectfully Submitted;

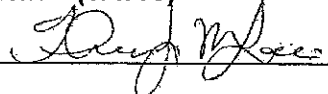
William Senapedis, P.L.S.

NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The GRANTEE agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the GRANT AGREEMENT or any subgrant agreement, contract, or subcontract, the GRANTEE, a subgrantee, a contractor, a subcontractor, or any person acting on behalf of the GRANTEE shall not, by reason of gender, race, creed, or color, discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. The GRANTEE, any subgrantee, contractor or any subcontractor or any person on their behalf shall not in any manner discriminate against or intimidate any of its employees on account of gender, race, creed, or color.
3. The GRANTEE, any subgrantee, contractor or any subcontractor shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.
4. The GRANTEE, any subgrantee, contractor or any subcontractor shall not discriminate by reason of gender, race, creed, or color against any subgrantee, contractor, subcontractor or supplier who is qualified to perform the work to which the grant relates.
5. The GRANTEE, any subgrantee, any contractor or any subcontractor shall, within the time periods requested by the Commonwealth, furnish all necessary employment documents and records and permit access to their books, records, and accounts by the DEPARTMENT and the Bureau of Minority and Women Business Opportunities (BMWBO), for the purpose of ascertaining compliance with this Nondiscrimination/Sexual Harassment Clause. Within 15 days after award of the grant, the GRANTEE shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the GRANTEE has fewer than five employees, or if all its employees are from the same family, or if it has completed the STD-21 form within the past 12 months, it may, within 15 days after award of the grant, request an exemption from the STD-21 form from the DEPARTMENT.
6. The GRANTEE, any subgrantee, contractor or any subcontractor shall include this Nondiscrimination/Sexual Harassment Clause in every subgrant agreement, contract or subcontract so that those provisions applicable to subgrantees, contractors or subcontractors will be binding upon each subgrantee, contractor or subcontractor.
7. The Commonwealth may cancel or terminate the GRANT AGREEMENT and all money due or to become due under the GRANT AGREEMENT may be forfeited for a violation of this Nondiscrimination/Sexual Harassment Clause. In addition, the DEPARTMENT may proceed with debarment or suspension and may place the GRANTEE, subgrantee, contractor, or subcontractor in the Contractor Responsibility File.

Based on Management Directive 215.16 amended (9/1/10)

Signature: 

DCNR-2014-Gen
Gen-GPM - 1 Rev. 1-13

Company: Thomas J. McLane and Associates, Inc. 02-13-17



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/1/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Markets Agency, Inc. 261 East Grove Street Clarks Summit, PA 18411 www.insurancemarketsinc.com	CONTACT NAME: Insurance Markets Agency, Inc. PHONE (A/C, No, Ext): 570-586-1471 FAX (A/C, No): E-MAIL: quotes@insurancemarketsinc.com ADDRESS:
	INSURER(S) AFFORDING COVERAGE INSURER A: General Star National Insurance Co NAIC # 11967 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 34464148 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPI/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	PROFESSIONAL LIABILITY			NJA923070C	1/18/2017	1/18/2018	500,000/500,000 CLAIMS MADE 1/18/05 RETRO

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER The City of Scranton 340 N Washington Avenue Scranton PA 18503	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE William R Tierney JR CPCU

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ACORD 25 (2016/03)

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Knowles Associates 316 Penn Avenue Scranton, PA 18503 Todd C. Zimmerman	CONTACT NAME: Ellen Genello	
	PHONE (A/C, No, Ext): 570-342-3214	FAX (A/C, No): 570-342-3125
	E-MAIL ADDRESS: EGenello@knowlesins.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Hartford Insurance Group	29424
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		44SBATJ6296	08/22/2016	08/22/2017	EACH OCCURRENCE \$ 2,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$ 10,000
	☒ Hired/NO - \$2M					PERSONAL & ADV INJURY \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 4,000,000
	☐ POLICY ☐ PRO-JECT ☐ LOC					PRODUCTS - COMPIOP AGG \$ 4,000,000
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS				PROPERTY DAMAGE (PER ACCIDENT) \$
	UMBRELLA LIAB	☐ OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	☐ CLAIMS-MADE				AGGREGATE \$
	DED ☐ RETENTION \$					\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		44WECPL7958	08/25/2016	08/25/2017	☒ WC STATUTORY LIMITS ☐ OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y/N				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The City of Scranton, the Commonwealth of Pennsylvania, and their respective officers, employees, directors, boards, Commissions and agents are named as Additional Insureds on the General Liability as it pertains to work performed by the insured.

CERTIFICATE HOLDER	CANCELLATION
CITY OF The City of Scranton 340 N Washington Avenue Scranton, PA 18503	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

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DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 22, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 23 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A
CONTRACT FOR PROFESSIONAL SERVICES WITH THOMAS J. MCLANE AND
ASSOCIATES INC. FOR THE PROFESSIONAL DESIGN AND ENGINEERING
SERVICES TO PREPARE DOCUMENTS FOR CONSTRUCTION OF A WATER
SPRAY PARK AND RELATED RECREATION SITE IMPROVEMENTS AT
NOVEMBRINO PARK.

Respectfully,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

RESOLUTION _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE THE DISCHARGE AND RELEASE OF THE 2004 PURCHASE AGREEMENT AND 2004 LEASE AGREEMENT DISCHARGING THE SALE LEASE BACK BETWEEN THE SCRANTON SEWER AUTHORITY AND THE CITY OF SCRANTON.

WHEREAS, the Sewer Authority of the City of Scranton, Pennsylvania (the "Authority") has previously issued its Guaranteed Lease Revenue Note, dated December 22, 2004 (the "2004 Note"), in the aggregate original principal amount of \$4,000,000; and

WHEREAS, the 2004 Note was issued by the Authority to finance a Project (the "Project") for the benefit of the City of Scranton, Pennsylvania (the "City"); and

WHEREAS, in connection with the financing of the Project, the City sold to the Authority, pursuant to the provisions of Purchase and Sale Agreement between the City and the Authority, dated December 22, 2004, (the "Sale Agreement"), all of the City's right, title and interest in certain real property, together with the improvements thereon (collectively, the "Property") as more specifically identified in the Sale Agreement; and

WHEREAS, the Holder and the Authority hereby acknowledge that all the amounts owed on the 2004 Note and all other obligations incurred by the City under the 2004 Lease Agreement have been paid, the 2004 Lease Agreement has terminated, and the 2004 Note has been paid in full and cancelled; and

WHEREAS, the Sewer Authority and PNC Bank, National Association have already executed the Discharge and Release, and as such it is necessary for City officials to do the same.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City officials are hereby authorized to execute the Discharge and Release of the 2004 Purchase Agreement and 2004 Lease Agreement discharging the Sale Release Back between the Scranton Sewer Authority and the City of Scranton.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

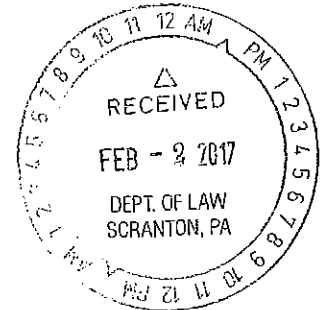
SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the Home Rule Charter and Optional Plans Law, and any other applicable law arising under the laws of the State of Pennsylvania.

Scranton Sewer Authority

c/o Municipal Building 340 N. Washington Ave. Scranton, PA 18503 | 570-969-6638 |

February 2, 2017

Jessica L. Boyles, Esquire
City Solicitor
City of Scranton - Law Department
340 N. Washington Ave.
Scranton, PA. 18503



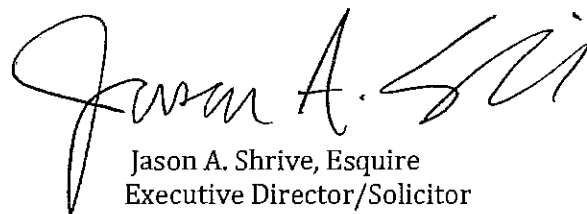
Re: Discharge of Sale Lease Back

Dear Atty. Boyles:

Enclosed please find a resolution of the Scranton Sewer Authority Board that was passed at its meeting on January 20, 2017. This resolution discharges the Sale Lease Back between the Scranton Sewer Authority and the City of Scranton. Please take the necessary action(s) to have the same executed by the City & PNC Bank.

If you should have any questions, please do not hesitate to contact me. Thank you for your time and consideration.

Very truly yours,


Jason A. Shrive, Esquire
Executive Director/Solicitor

Enclosure

cc: David Bulzoni, City Business Administrator (with enclosure)

JAS/MM

DISCHARGE AND RELEASE OF THE 2004 PURCHASE AGREEMENT AND
2004 LEASE AGREEMENT

WHEREAS, The Sewer Authority of the City of Scranton, Pennsylvania (the "Authority") has previously issued its Guaranteed Lease Revenue Note, dated December 22, 2004 (the "2004 Note"), in the aggregate original principal amount of \$4,000,000; and

WHEREAS, the 2004 Note was issued by the Authority to finance a Project (the "Project") for the benefit of the City of Scranton, Pennsylvania (the "City"); and

WHEREAS, in connection with the financing of the Project, the City sold to the Authority, pursuant to the provisions of a Purchase and Sale Agreement between the City and the Authority, dated December 22, 2004 (the "Sale Agreement"), all of the City's right, title and interest in certain real property, together with the improvements thereon (collectively, the "Property") as more specifically identified in the Sale Agreement; and

WHEREAS, in connection with the financing of the Project, the Authority and the City entered into a Lease and Guaranty Agreement, dated December 22, 2004 (the "Lease Agreement"), pursuant to which the Authority leased the Property to the City and the City made rent payments sufficient to pay debt service on the 2004 Note and guaranteed payment of the principal of and interest on the 2004 Note; and

WHEREAS, the City has caused to be deposited with PNC Bank, National Association, as holder of the 2004 Note (the "Holder"), moneys sufficient to pay the outstanding principal of, and the interest on the 2004 Note to and including the maturity date thereof, thus entitling the City to a release and discharge of the 2004 Purchase Agreement and 2004 Lease Agreement.

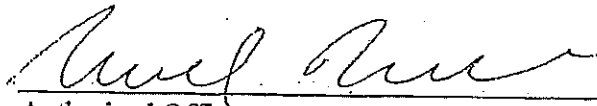
NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Authority does hereby forever release, remise, reassign, reconvey, terminate, transfer and set over to and unto the City all of its right, title and interest in and to any property, including but not limited to the Property, which may have been conveyed, granted, pledged, assigned, confirmed, transferred or set over by the 2004 Purchase Agreement and 2004 Lease Agreement, as and for security for the 2004 Note, and all of the Authority's right, title and interest under the 2004 Lease Agreement, which right, title and interest do hereby cease, determine and become void. The Authority and the Holder each hereby acknowledges that all obligations of the City contained in the 2004 Purchase Agreement and 2004 Lease Agreement have hereby ceased, determined and been completely discharged.

AND, FURTHER, the Holder and the Authority hereby acknowledge that all amounts owed on the 2004 Note and all other obligations incurred by the City under the 2004 Lease Agreement have been paid and that the 2004 Lease Agreement has terminated and that the 2004 Note has been paid in full and cancelled.

This Discharge and Release of the 2004 Purchase Agreement and 2004 Lease Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Discharge and Release of the 2004 Purchase Agreement and 2004 Lease Agreement to be duly executed, and their respective seals to be hereunto affixed and attested, all as of the 15th day of December, 2016.

THE SEWER AUTHORITY OF THE CITY OF
SCRANTON, PENNSYLVANIA



Authorized Officer

CITY OF SCRANTON, PENNSYLVANIA

Mayor

PNC BANK, NATIONAL ASSOCIATION



Authorized Officer
MICHAEL E. PENWELL, SVP

CITY OF SCRANTON

ATTEST:

BY: _____
Lori Reed, City Clerk

Date: _____

BY: _____
William L. Courtright, Mayor

Date: _____

BY: _____
Roseann Novembrino, City Controller

Date: _____

APPROVED AS TO FORM:

BY: _____
Jessica L. Boyles, Esq., City Solicitor

Date: _____



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 22, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 23 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE THE DISCHARGE AND
RELEASE OF THE 2004 PURCHASE AGREEMENT AND 2004 LEASE AGREEMENT
DISCHARGING THE SALE LEASE BACK BETWEEN THE SCRANTON SEWER
AUTHORITY AND THE CITY OF SCRANTON.

Respectfully,

Jessica Boyles

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

5E

RESOLUTION _____

2017

APPOINTMENT OF JENNIFER DAVIS, 801 NORTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18510, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. DAVIS WILL BE REPLACING RALPH A. SCARTELLI WHOSE TERM EXPIRED OCTOBER 11, 2014. MS. DAVIS' TERM WILL EXPIRE FEBRUARY 9, 2022.

WHEREAS, Ralph A. Scartelli's term as a member of the Historical Architecture Review Board expired on October 11, 2014; and

WHEREAS, the Mayor of the City of Scranton desires to appoint Jennifer Davis, as a member of the Historical Architecture Review Board effective February 9, 2017 to replace Ralph A. Scartelli whose term expired October 11, 2016. Ms. Davis' term will expire February 9, 2022; and

WHEREAS, Jennifer Davis has the requisite, experience, education and training necessary to serve on the Historical Architecture Review Board; and

NOW, THEREFORE, BE IT RESOLVED that Jennifer Davis 801 North Irving Avenue, Scranton, PA is hereby appointed to the Historical Architecture Review Board effective February 9, 2017. Ms. Davis will replace Ralph A. Scartelli whose term expired October 11, 2016. Ms. Davis' term will expire February 9, 2022.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

February 9, 2017

Honorable Council of The City of Scranton
340 N. Washington Avenue
Scranton, Pa. 18503

RE: Historical Architecture Review Board Appointment (HARB)

Dear Council Members:

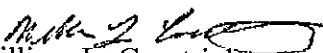
Please be advised that I am appointing Jennifer Davis, 801 N. Irving Avenue, Scranton, Pennsylvania 18510 as a member of the Historical Architecture Review Board.

Ms. Davis will be replacing Ralph A. Scartelli whose term expired on October 11, 2014

Ms. Davis' term will be effective February 9, 2017 and expire on February 9, 2022.

I respectfully request City Council's concurrence in this appointment.

Sincerely,


William L. Courtright

WLC/kg

CC: Patrick Hinton, Director, L.I.P.S.
Jessica Boyles, City Solicitor
Historical Architectural Review Board
Mary-Pat DeFlice, Boards & Commisions Coordinator
Jennifer Davis



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 22, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 23 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION APPOINTMENT OF JENNIFER DAVIS, 801 NORTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18510, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. DAVIS WILL BE REPLACING RALPH A. SCARTELLI WHOSE TERM EXPIRED OCTOBER 11, 2014. MS. DAVIS' TERM WILL EXPIRE FEBRUARY 9, 2022.

THE ADMINISTRATION HAS VERIFIED THAT THE APPOINTEE HAS NO DELINQUENT CITY TAX OR REFUSE PAYMENTS DUE.

Very truly yours,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

RESOLUTION NO. _____

2017

APPOINTMENT OF KATHERINE M. KEARNEY, 828 SOUTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18505, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. KEARNEY WILL BE REPLACING ELLA RAYBURN WHOSE TERM EXPIRED OCTOBER 11, 2016. MS. KEARNEY'S TERM WILL EXPIRE FEBRUARY 9, 2022.

WHEREAS, Ella Rayburn's term as a member of the Historical Architecture Review Board expired on October 11, 2016; and

WHEREAS, the Mayor of the City of Scranton desires to appoint Katheryn M. Kearney, as a member of the Historical Architecture Review Board effective February 9, 2017 to replace Ella Rayburn whose term expired October 11, 2016. Ms. Kearney's term will expire February 9, 2022; and

WHEREAS, Katherine M. Kearney has the requisite, experience, education and training necessary to serve on the Historical Architecture Review Board; and

NOW, THEREFORE, BE IT RESOLVED that Katherine M. Kearney, 828 South Irving Avenue, Scranton, PA is hereby appointed to the Historical Architecture Review Board effective February 9, 2017. Ms. Kearney will replace Ella Rayburn whose term expired October 11, 2016. Ms. Kearney's term will expire February 9, 2022.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



OFFICE OF THE MAYOR

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4101 • FAX: 570-348-4251

February 9, 2017

Honorable Council of The City of Scranton
340 N. Washington Avenue
Scranton, Pa. 18503

RE: Historical Architecture Review Board Appointment (HARB)

Dear Council Members:

Please be advised that I am appointing Katherine M. Kearney, 828 S. Irving Avenue, Scranton, Pennsylvania 18505 as a member of the Historical Architecture Review Board.

Ms. Kearney will be replacing Ella Rayburn whose term expired on October 11, 2016

Ms. Kearney's term will be effective February 9, 2017 and expire on February 9, 2022.

I respectfully request City Council's concurrence in this appointment.

Sincerely,

William L. Courtright

WLC/kg

CC: Patrick Hinton, Director, L.I.P.S.
Jessica Boyles, City Solicitor
Historical Architectural Review Board
Mary-Pat DeFlice, Boards & Commisions Coordinator
Katherine M. Kearney



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 22, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED
MAR 23 2017

Dear Honorable Council Members:

OFFICE OF CITY
COUNCIL/CITY CLERK

ATTACHED IS A RESOLUTION APPOINTMENT OF KATHERINE M. KEARNEY, 828 SOUTH IRVING AVENUE, SCRANTON, PENNSYLVANIA, 18505, AS A MEMBER OF THE HISTORICAL ARCHITECTURE REVIEW BOARD EFFECTIVE FEBRUARY 9, 2017. MS. KEARNEY WILL BE REPLACING ELLA RAYBURN WHOSE TERM EXPIRED OCTOBER 11, 2016. MS. KEARNEY'S TERM WILL EXPIRE FEBRUARY 9, 2022.

THE ADMINISTRATION HAS VERIFIED THAT THE APPOINTEE HAS NO DELINQUENT CITY TAX OR REFUSE PAYMENTS DUE.

Very truly yours,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

RESOLUTION NO. _____
2017

APPOINTMENT OF PAUL MARCKS, 724 GIBBONS STREET, SCRANTON, PENNSYLVANIA, 18505 AS THE ALTERNATE NO. 1 MEMBER OF THE BOARD OF ZONING APPEALS FOR THE CITY OF SCRANTON. MR. MARCKS WILL FILL THE ALTERNATE NO. 1 POSITION THAT WAS VACATED BY ROBERT PALMITESSA WHEN HE BECAME A REGULAR MEMBER OF THE BOARD UPON THE RESIGNATION OF STEVEN KOCHIS. MR. MARCKS WILL FILL THE UNEXPIRED TERM OF MR. PALMITESSA WHICH EXPIRES ON JULY 1, 2020.

WHEREAS, Robert Palmitessa who was Alternate No. 1 member became the replacement of Steven Kochis upon his resignation as a regular member of the City of Scranton Board of Zoning Appeals; and

WHEREAS, Mr. Palmitessa's appointment creates a vacancy in the Alternate No. 1 position on the Board of Zoning Appeals; and

WHEREAS, Scranton City Council desires to fill that vacancy with the appointment of Paul Marcks.

NOW, THEREFORE, BE IT RESOLVED BY SCRANTON CITY COUNCIL THAT Paul Marcks, 724 Gibbons Street, Scranton, Pennsylvania, 18505 is hereby appointed as Alternate No. 1 member on the Board of Zoning Appeals that was vacated by Robert Palmitessa when he ascended to the position that was vacated by Steven Kochis. Mr. Marcks will fill the unexpired term of Robert Palmitessa on the City of Scranton's Zoning Board of Appeals with said term to expire on July 1, 2020.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

Scranton City Council
340 North Washington Ave
Scranton, PA 18503

To whom it may concern:

I am writing to express my interest in being a member of the Zoning Board of Appeals for the City of Scranton.

Thank you for your consideration.

Paul Marcks

724 Gibbons St
Scranton, PA 18505
570.241.1687
paulmarcks@gmail.com

RECEIVED

MAR 24 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

FILE OF THE COUNCIL NO. _____

2017

AN ORDINANCE

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF DEBT SERVICES MONEY TO BE USED FOR PAVING ONLY, AS SAID MONEY HAS BEEN REFUNDED TO THE CITY AND IS NO LONGER NEEDED FOR PAYMENT OF THE MARCH INSTALLMENT DUE ON THE 2012 SERIES A AND B BONDS DUE TO THE DEFEASENCE OF SAID BONDS WITH SEWER PROCEEDS.

WHEREAS, the City and Scranton Sewer Authority have sold certain sewer system assets to the Pennsylvania American Water Company; and

WHEREAS, the City determined to apply approximately \$27,885,904.00 of the City's portion of the proceeds to retire certain high coupon general obligation debt (referred to as the City's 2006 General Obligation Bonds, the City's 2012 General Obligation Bonds, and the City's 2013 General Obligation Bonds) reducing the fixed cost of the General Fund by approximately \$5,200,000.00 per year; and

WHEREAS, specifically \$618,712.34 was set aside for the March installment of the 2012 Series A General Obligation Bonds, and \$92,068.48 March installment of the 2012 Series B General Obligation Bonds, and such installments are no longer needed due to the defeasance of said Bonds with Sewer proceeds; and

WHEREAS, said funds totaling \$710,780.82 will be reallocated for paving the streets throughout the City of Scranton.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate city officials are authorized to reallocate a portion of debt services money to be used for paving only, as said money has been refunded to the City and is no longer needed for payment of the March installment due on the 2012 Series A and B Bonds due to the defeasance of said Bonds with Sewer proceeds.

SECTION 1. If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any Court of competent jurisdiction such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Ordinance or

any portion thereof from time to time as it shall deem advisable in the best interest of the promotion of the purposes and intent of this Ordinance, and the effective administration thereof.

SECTION 2. This Ordinance shall become effective immediately upon approval.

SECTION 3. This Ordinance is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law" and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 9, 2017

RECEIVED

MAR - 9 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

Dear Honorable Council Members:

ATTACHED IS AN ORDINANCE AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO REALLOCATE A PORTION OF DEBT SERVICES MONEY TO BE USED FOR PAVING ONLY, AS SAID MONEY HAS BEEN REFUNDED TO THE CITY AND IS NO LONGER NEEDED FOR PAYMENT OF THE MARCH INSTALLMENT DUE ON THE 2012 SERIES A AND B BONDS DUE TO THE DEFEASENCE OF SAID BONDS WITH SEWER PROCEEDS.

Respectfully,


Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH KNOWLES ASSOCIATES LLC, FOR INSURANCE BROKERAGE SERVICES FOR A PERIOD OF THREE (3) YEARS WITH THE OPTION OF A TWO-YEAR CONTRACT EXTENSION FROM APRIL 1, 2017 TO MARCH 31, 2020, AND A CONTRACT WITH CNA INSURANCE COMPANY, HARLEYSVILLE INSURANCE COMPANY, QBE SPECIALTY INSURANCE COMPANY, MERKEL AMERICAN INSURANCE COMPANY AND SAFETY NATIONAL INSURANCE COMPANY FOR CITY INSURANCE COVERAGES FOR A ONE (1) YEAR PERIOD FROM APRIL 1, 2017 THROUGH MARCH 31, 2018.

WHEREAS, a Request for Proposals was advertised for the City of Scranton Insurance Brokerage Services, and only one (1) Request for Proposal was submitted for review; and

WHEREAS, after review of the proposal submitted it was determined that it would be in the best interest of the City to award the Contract to Knowles Associates LLC for the reasons provided in the Memo attached hereto from the Business Administrator.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are authorized to execute any and all documents necessary to enter into a Contract with Knowles Associates LLC ("Knowles") for insurance brokerage services for a three (3) year period from April 1, 2017 through March 31, 2020 with the option of a two year contract extension, and for insurance coverage for: Property, Equipment, and Equipment Breakdown, Electronic Data Processing, General Liability, Crime (Employee Dishonesty and Money) with CNA Insurance Company; Commercial Automobile Coverage with CNA Insurance Company & Harleysville Insurance Company; Law Enforcement Professional Liability, Public Officials and Employment Practices Liability, with QBE Specialty Insurance Company; Fiduciary Liability with Merkel American Insurance Company; and Specific Excess Workers Compensation coverage with Safety National Insurance Company, for the period April 1, 2017 through March 31, 2018, all based on the Insurance Proposal from Knowles attached hereto marked as Exhibit "A" and incorporated herein by reference thereto.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 21, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 21 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH KNOWLES ASSOCIATES LLC, FOR INSURANCE BROKERAGE SERVICES FOR A PERIOD OF THREE (3) YEARS WITH THE OPTION OF A TWO-YEAR CONTRACT EXTENSION FROM APRIL 1, 2017 TO MARCH 31, 2020, AND A CONTRACT WITH CNA INSURANCE COMPANY, HARLEYSVILLE INSURANCE COMPANY, QBE SPECIALTY INSURANCE COMPANY, MARKEL AMERICAN INSURANCE COMPANY AND SAFETY NATIONAL INSURANCE COMPANY FOR CITY INSURANCE COVERAGES FOR A ONE (1) YEAR PERIOD FROM APRIL 1, 2017 THROUGH MARCH 31, 2018.

Respectfully,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

CONTRACT

This contract entered into this ____ day of _____ 2017 effective from
April 1, 2017 to March 31, 2020 by and between the City of Scranton, 340 North
Washington Avenue, Scranton, PA 18503, hereinafter called "Scranton" and

**KNOWLES ASSOCIATES LLC
316 PENN AVENUE
SCRANTON, PA 18503
PHONE NO. (570) 342-3214
FAX NO. (570) 342-3125**

hereinafter called "Contractor".

WITNESSETH:

WHEREAS, Scranton desires the Contractor to perform certain work and services in
accordance with the terms and conditions hereinafter set forth and the Contractor is ready,
willing and able to perform such work and services.

NOW THEREFORE, in consideration of the promises contained herein and the promises
each to the other made, the parties do agree and intend to be legally bound as follows:

ARTICLE I - CATEGORY OF WORK AND SERVICES

The work and services to be performed by Contractor shall be in the general fields of
Insurance Brokerage Services for City of Scranton and Insurance coverage. The Contractor
hereby covenants, contracts and agrees to furnish Scranton with:

**INSURANCE BROKERAGE SERVICES
CITY OF SCRANTON FOR A THREE (3) YEAR PERIOD
WITH THE OPTION OF A TWO YEAR CONTRACT
EXTENSION AND INSURANCE COVERAGE WITH
INSURANCE COMPANIES FOR A PERIOD OF ONE (1) YEAR
PER THE ATTACHED BID PROPOSAL AND
SCRANTON'S INSURANCE SPECIFICATTONS**

Said services to be furnished and delivered in strict and entire conformity with Scranton's
Specifications marked as Exhibit "A" attached hereto and incorporated herein by reference
thereto and the Bid Proposal submitted by Knowles Associates LLC dated March 15, 2017
attached hereto marked as Exhibit "B" and incorporated herein by reference thereto. Said Bid
Proposal and Specifications are hereby made part of this Agreement as fully and with the same
effect as if set forth at length herein.

ARTICLE II - GENERAL

(1) In the performance of the work and services hereunder, the Contractor shall act solely
as an independent contractor, and nothing contained or implied shall at any time be so construed
as to create the relationship of employer and employee, partnership, principal/agent, or joint
adventurer as between Scranton and the Contractor.

(2) Failure of either party to enforce any of its rights hereunder shall not constitute a
waiver of such rights, or of any other rights hereunder.

ARTICLE III - FEES

Said services to be furnished and delivered in strict and entire conformity with the Bid Proposal and Specifications attached hereto. Said Bid Proposal and Specifications are incorporated herein by reference as though set forth at length.

Contractor agrees that no remuneration for its' services shall be paid by Scranton and that all remuneration for Contractors' services shall be paid by the insurance carriers.

ARTICLE IV - INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless Scranton from and against any and all claims and actions, based upon or arising out of damage to property or injuries to person or other acts caused or contributed to by Contractor or anyone acting under the Contractor's direction or control or on the Contractor's behalf in the course of the Contractor's performance under this contract.

ARTICLE V - INSURANCE

- (1) Contractor represents that it now carries, and agrees it will continue during the term of this Contract to carry, at a minimum: Workers' Compensation, Comprehensive General and Contractual Liability and Professional Liability Insurance in the following amounts:

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Employer's Liability	\$ 500,000.00
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	
Bodily Injury	\$ 1,000,000 each person \$ 1,000,000 each occurrence \$ 1,000,000 aggregate
Property Damage	\$ 500,000 each occurrence
Personal Injury	\$ 500,000
Comprehensive Automobile Liability:	
Bodily Injury	\$ 300,000 each person \$ 500,000 each occurrence
Property Damage	\$ 500,000 each occurrence

- (2) Certificates of all insurance provided by the Contractor shall be available for Scranton's review and will be furnished to Scranton if requested. Such copies of certificates shall include the following:

- (a) Name of insurance company, policy number, and expiration date;
- (b) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions (which shall be for the account of the Contractor);
- (c) A statement indicating Scranton shall receive thirty (30) days notice of cancellation or significant modification of any of the policies which may affect Scranton's interest;

- (d) A statement confirming Scranton has been named an additional insured (except for Worker's Compensation) on all policies; and
- (e) A statement confirming that Scranton, its agents, and employees have been provided a waiver of any rights or subrogation, which the Contractor may have against them.

ARTICLE VI: TERMINATION OF CONTRACT

If through any cause the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or in the event of violation of any of the covenants contained herein, or in the event of violation of the laws applicable to implementation of the project contemplated by this Agreement, or in the event of misuse of funds, mismanagement, criminal activity or malfeasance in the implementation of this Agreement, Scranton shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR specifying the effective date of termination. Said notice shall be given in writing to the CONTRACTOR and will be effective upon receipt by the CONTRACTOR. In such an event all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this Agreement shall be returned to the Scranton.

ARTICLE VII: DEFAULT

In the event of a default by Contractor under this Agreement, the defaulting party then shall reimburse the non defaulting party for all costs and expenses incurred by the non defaulting party in connection with the default, including without limitation, court costs and attorneys fees at the trial level and on appeal.

ARTICLE VIII: JURISDICTION

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and all obligations hereunder are to be performed in Lackawanna County, Pennsylvania. Jurisdiction over the subject matter and performance of this Agreement is therefore vested in the Lackawanna County Court of Common Pleas.

ARTICLE IX - ENTIRE AGREEMENT

This contract constitutes the entire agreement between Scranton and Contractor. It supersedes all prior contemporaneous communications, representations or agreements whether oral or written with respect to the subject matter thereof and if it has been induced by no representations, statements or agreements other than those expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an unauthorized officer of the party sought to be bound thereby.

IT IS FURTHER UNDERSTOOD AND AGREED that this contract is entered into under and subject to the provisions of the Act of Assembly of the Commonwealth of Pennsylvania, approved March 7, 1901, its supplements and amendments, and the liability of the City of Scranton herein limited to the amount appropriated for the same and subject to the Section 6-13 of the Administrative Code of the City of Scranton which limits payments of money out of the City Treasury to appropriations made by the Council

IN WITNESS WHEREOF the parties hereto have, in due form of law, caused this agreement to be executed the day and year first above written.

ATTEST:

CITY CLERK

BY: _____
MAYOR

DATE: _____

DATE: _____

COUNTERSIGNED:

CITY CONTROLLER

BUSINESS ADMINISTRATOR

DATE: _____

DATE: _____

APPROVED AS TO FORM:

CITY SOLICITOR

DATE: _____

KNOWLES ASSOCIATES LLC

BY:

TITLE: _____

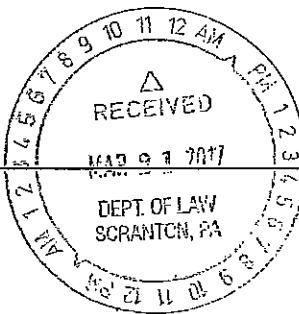
DATE: _____

BUSINESS ADMINISTRATION

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON



March 21, 2017

Memo

To: William Courtright, Mayor
Jessica Boyles, Solicitor
Lori Reed, City Clerk

From: David Bulzoni, Business Administrator

Re: **Insurance Coverage Renewal/Appointment of an Agent/Broker**

I have reviewed the proposal received on March 15 and recommend the following:

1. Retention of Knowles Associates as the Agent/Broker for a period of three years, as indicated in the Request for Proposal, from April 1, 2017 to March 30, 2020. The Request for Proposal also allows a one two year contract extension following the conclusion of the contract period.
2. Approval of the coverage as indicated in the proposal. The total premium for the renewal City of Scranton policies is \$701,116, which represents an approximate savings of \$148,000 compared to the most recent assigned total premium. The reduction in premium was affected to a significant extent by the use of a three year coverage period. The insurance broker was able to obtain multiple quotes for review prior to selecting the most advantageous for inclusion in the proposal. The City has not been the recipient of multiple insurance quotes during the prior request for proposal process.

The premium decrease is measurable and represents a decrease of approximately 19%. A fee of \$890 fee indicated in the proposal is included in the total premium. The compensation paid to Knowles Associates is a percentage of the premium paid by the insurers and not included in the quotes premium. The industry standard is typically 12-15%. The Request for Proposal required a statement of compensation if the premium paid to the insurer exceeded 15%. The premium paid to Knowles Associates would not exceed this average.

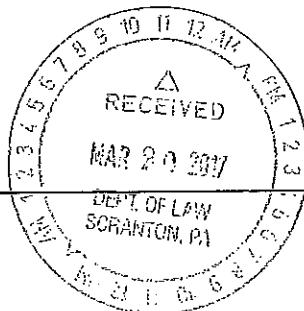
In addition to the premium reduction, it should be noted that Knowles and Associates provided exemplary service to the City of Scranton for the prior fifteen years. The origins of the company date back to 1963. The present ownership has been in place since 1988. The company employs fourteen individuals and is headquartered in downtown Scranton. The City of Scranton account manager is Patty Hozempa. She has twenty-seven years of experience working with commercial lines of business and ten years working with the City of Scranton.

The company has been proactive in evaluating the City's risk profile and recommending the most appropriate coverage in the different policy areas. Value added propositions are included in the proposal for the City to review and the company continues to actively reduce the City's coverage declination rate.

The Office of the Business Administrator recommends the retention of Knowles and Associates based on the above information.

Department of Business Administration

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON

March 17, 2017

Mr. David Bulzoni
Business Administrator
Municipal Building
Scranton, Pa. 18503

Dear Mr. Bulzoni,

This is to inform you that proposals were opened Monday, March 17, 2017 in Council Chambers for the **City Of Scranton Insurance Brokerage Services**.
Attached are the copies of the proposals submitted by the following companies:

Knowles Associates

Thank you for your cooperation in this matter.

Sincerely,

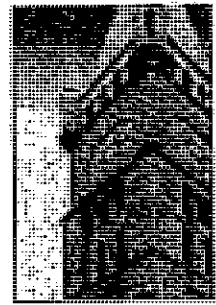
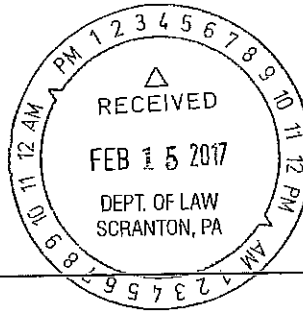
Julie Reed,
Purchasing Clerk

Encls.

CC: Mrs. Roseann Novembrino, City Controller
Mrs. Lori Reed, City Clerk
✓ Ms. Jessica Boyles, City Solicitor
File

Department of Business Administration

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON

February 14, 2017

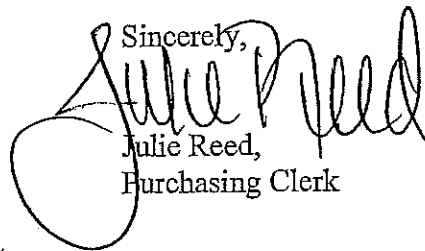
Mr. David Bulzoni
Business Administrator
Municipal Building
Scranton Pa, 18503

Dear Mr. Bulzoni

This is to inform you that proposals will be opened in Council Chambers on Friday, March 17, 2017 at 10:00 A.M. for the following:

**CITY OF SCRANTON
INSURANCE BROKERAGE SERVICES**

Attached, please find an Invitation to Bidders, and Specifications.
Thank you for your cooperation in this matter.

Sincerely,

Julie Reed,
Purchasing Clerk

CC: Mayor William Courtright
Mrs. Roseann Novembrino, City Controller
Mrs. Rebecca McMullen, Financial Manager
Mrs. Lori Reed, City Clerk
● Mr. Jason Shrive, City Solicitor
File

REQUEST FOR PROPOSAL

Insurance Brokerage Services

City of Scranton

DATE OF ISSUANCE

February 10, 2017

Separate sealed proposals will be received by the City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 until 10:00 a.m. March 17, 2017, at which time such proposals will be opened in the City Council Chambers for the following:

CITY OF SCRANTON
Insurance Brokerage Services
APRIL 1, 2017 – MARCH 31, 2020

The Agent/Broker awarded the bid will be the broker of record for three consecutive years. All proposals shall be in accordance with the Request for Proposal (RFP) specifications which are now available and can be picked up at the Office of the Bureau of Purchasing, 4th Floor, City Hall, 340 North Washington Avenue, Scranton, PA 18503.

Sealed envelopes containing the proposals will be received and identified by "City of Scranton Insurance Brokerage Services". The envelopes should be delivered or mailed to the Office of the City Controller, at the address listed above, so as to arrive by the date and time specified above. The City of Scranton will require six (6) copies of this proposal.

If you have any questions, please call David M. Bulzoni, Business Administrator, at (570) 348-4118.

David M. Bulzoni

Business Administrator



REQUEST FOR PROPOSALS FOR INSURANCE BROKERAGE SERVICES

TABLE OF CONTENTS

Part I	INTRODUCTION
Part II	GENERAL INFORMATION FOR PROPOSERS
Part III	INFORMATION REQUIRED FROM PROPOSERS
Part IV	CRITERIA FOR SELECTION
Part V	WORK STATEMENT

Attachments

Please Note the following forms and/or certifications are required to validate the proposal:

Each proposal must be accompanied by a signed proposal, certificate of insurance, and signed anti-collusion and affirmative action affidavit.

1. A certificate of insurance of the prospective bidder's insurance coverage. The City requires the successful bidder to carry Professional Liability insurance at a minimum of \$1,000,000 occurrence/aggregate. All insurance coverage must be kept in effect during the contract period. The loss of insurance coverage could result in the voiding of the contract;
2. A statement of assurance the prospective bidder is not currently in violation of any regulatory rules and regulations that may have an impact on its operations;
3. A statement the prospective bidder is not involved in any litigation with the City;
4. Certification of Qualifications;
5. Insurance Coverages and Loss Data.

PART I INTRODUCTION

I-1 The City of Scranton (the “City”) is issuing a request for proposal (RFP) to qualified entities seeking to act as an insurance broker of record for the City with respect to the City’s insurance coverage and certain related matters. The respondent will be selected to provide professional services for the City’s insurance needs for Property, Equipment and Equipment Breakdown, General Liability, Crime, E.D.P., and Commercial Automobile Coverage, Law Enforcement Liability, Public Officials and Employment Practices, Fiduciary Liability, Excess Workers Compensation and General Liability – Nay Aug Waterslide. Named insureds are the City of Scranton and Scranton Municipal Recreation Authority. The proposal will provide quotations for each coverage according to the instructions in Section II-19. The City may award a single broker of record or may award multiple proposals for distinct and specific policies of insurance. The award will be made to a proposer or proposers who meet the scope of services, qualifications and general description of work activities.

I-2 The City’s casualty/ property insurance program is administered by the Office of Business Administration, Department of Human Resources, with assistance from the Business Administrator and City Solicitor who would assist with insurance, indemnification, and contractual issues.

I-3 The City currently has over 475 full-time employees, seasonal employees, and operates a police force, a fire department, public works department, recreational facilities, and seasonal recreation programs.

I-4 The City currently owns and operates a fleet of approximately 270 vehicles and owns and operates approximately 55 buildings and structures.

I-5 The City maintains several policies of insurance listed in Section I-1, from a variety of providers as listed on the attachment.

I-6 The City is issuing this Request for Proposal to ensure it is obtaining appropriate insurance coverage at competitive costs and is properly protecting employees and assets.

I-7 The City is protected by Governmental Immunity under the Political Subdivision Tort Claims Act, yet seeks to ensure protections for any actions that may present actions not protected under a claim of negligence, including civil rights or other statutory actions

PART II GENERAL INFORMATION FOR PROPOSERS

II-1 Purpose

This request for proposal (RFP) provides interested prospective proposers with sufficient information to enable them to prepare and submit proposals for consideration by the City to satisfy a need for **Insurance Brokerage Services**. Such services may be awarded to a single proposer or multiple proposers based upon the nature of the proposal, the qualifications and needs of the City.

II-2 Issuing Office

This Request is issued for the City by The Office of Business Administration.

II-3 Scope

This Request contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other proposal requirements.

II-4 Problem Statement

The City of Scranton is seeking proposals from qualified companies for selection as insurance broker on behalf of the City for its various insurance policies. A detailed work statement is provided in Part V of this Request for Proposal.

II-5 Type of Contract

It is proposed that if a contract is entered into as a result of this RFP, it will be a fee for services structure. The broker/agent will be compensated from the insurer (s) for their fee/commission. The City of Scranton requires the commission percentage will be stated if it exceeds the industry average of 15%. Otherwise, a statement of the commission percentage is not required. The City may in its sole discretion undertake negotiations with respondents whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work. Negotiations may be undertaken with those respondents whose proposals prove them to be qualified, responsible and capable of fulfilling the requirements of the Request for Proposal. The contract will be entered into a manner that is most advantageous to the City based upon the considerations set forth in this Request. Failure of a Proposer to accept the obligations in a proposed contract may be a basis to award the contract to another respondent.

II-6 Rejection of Proposals

The City reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing respondents. The award may or may not be made to the firm with the lowest cost insurance proposal.

II-7 Subcontracting

Any use of subcontractors by a respondent must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the City. A firm that responds to this solicitation as a primary respondent may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one primary contractor responding to the project advertisement.

II-8 Incurring Costs

The City of Scranton is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the Request process or in anticipation of a contract award.

II-9 Questions and Answers

Written questions may be submitted to clarify any points in the Request which may not have been clearly understood. Written questions should be submitted by email to Julie Reed, City of Scranton Purchasing Department at jreed@scrantonpa.gov with "Insurance Broker RFP Questions" in the subject line to be received no later than (March 10, 2017). All questions will be submitted in electronic format and will be responded to accordingly. Answers will be considered as addenda to the Request for Proposal. All prospective proposers should register at the address of the City Purchasing Department in order to receive any answers to questions provided to other proposers. The failure to register is an interpretation that you did not formally receive the Request for Proposal package.

II-10 Addenda to the RFP

If it becomes necessary to revise any part of this Request for Proposal before the proposal response date, those requesting the proposal package will be notified of the change.

II-11 Response

To be considered proposals must be delivered to the City of Scranton as separate sealed proposals, to the Attention of Roseann Novembrino, City Controller, Second Floor, City Hall, City of Scranton, 340 North Washington Avenue, Scranton, PA 18503 until 10:00 a.m. March 15, 2017. **Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the City office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next City business day on which the office is open. Unless the Proposers are otherwise notified by the City, the time for submission of proposals shall remain the same.

II-12 Proposals

For consideration, prospective proposers should submit a complete response to this Request for Proposal using the format provided in PART III. Each proposal should be submitted in six (6) hard copies. No other distribution of proposals will be required by the prospective Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized of the prospective proposer to validate the submission. For this Request for Proposal to be considered, the proposal must remain valid until April 1, 2017. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is executed.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the City's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the City shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this Request for Proposal.

II-13 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description, without undue elaboration, of the Proposer's ability to meet the requirements of the Request for Proposal.

II-14 Discussions for Clarification

Firms submitting proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough for any provisions requiring clarification. The issuing office of the City of Scranton will initiate requests for clarification.

II-15 Best and Final Offers

The Office of Business Administration reserves the right to conduct discussions with prospective proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from proposers, the Office of Business Administration may do one or more of the following:

- a) enter into pre-selection negotiations;
- b) schedule oral presentations;
- c) request revised proposals.

The Office of Business Administration will limit any discussions to responsible proposers reasonably susceptible of being selected for award.

II-16 Prime Proposer Responsibilities

The selected proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the City will consider the selected proposer as the sole point of contact with regard to contractual matters.

II-17 Proposal Contents

Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the City of Scranton. The City has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; and (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure. 65 P.S. §67.102 (emphasis added).

II-18 Continuity

Unless specifically noted in this section, Proposers must provide all services to complete the identified work. The Contractor shall provide qualified staffing and maintain maximum continuity during the term of the Agreement for these services.

II-19 Cost Submittal

The insurance cost submittal shall be identified separately as an addendum to the proposal. **Failure to meet this requirement may result in disqualification of the proposal.**

II-20 Term of Contract

The term of the contract will commence on the Effective Date (as defined below) and will be for three (3) years from that date with the option of one (1) two-year contract extension. The City shall fix the Effective Date after the contract has been fully executed by the Contractor and by the City and all approvals required by City contracting procedures have been obtained.

II-21 Proposer's Representations and Authorizations

Each Proposer by submitting its proposal understands, represents, and acknowledges that:

A. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.

B. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.

C. Neither the price(s) nor the amount of the proposal, including any commission rates or payment based upon insurance costs and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this Request for Proposal.

D. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.

E. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

F. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.

G. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.

H. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

I. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.

J. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the City information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

A. General. Before the execution of a Contract, Provider must submit certificates of insurance evidencing the coverage required as acceptable to the City. All policies will be endorsed to contain the following clause: "The City of Scranton and Broker of record will be notified within Thirty (30) days by written notice of any cancellation, non-renewal, limit of or coverage reduction." The preceding is subject to existing Commonwealth of Pennsylvania statutory cancellation provisions relating to non-payment of premium and misrepresentation by the insured. The City expects to maintain the insurance described herein for the entire duration of the Contract. All insurance policies must be written by an Insurance Company licensed and/or authorized to do business in Pennsylvania and acceptable to the City having an A.M. Best's rating of no less than B+. Have all insurance policies and certificates signed by a resident Pennsylvania Agent of the issuing Company. However, in the case of an eligible surplus lines insurer, have all policies and certificates also signed by a party duly authorized to bind, on behalf of the eligible surplus lines insurer, the certified coverage's.

Right to Assign Legal Counsel

The City of Scranton reserves the right to assign Legal Counsel with respect to the following policies:

- a. Law Enforcement Liability
- b. Public Official Liability
- c. Employment Practice Liability

PART III

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the Request and provide any type of insurance that the proposer may not be applying for. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of six (6) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II hereof; (ii) Cost Submittal, in response to Part II-19 hereof.

The City reserves the right to request additional information which, in the City's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the Request. The City may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the City. The City reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the City that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

III-1 Work Plan

Provide a detailed plan summary of coverages based upon the published bid specifications. Any modifications of the coverages must be noted in the proposal.

III-2 Prior Experience

The Proposal should include experience in Insurance Brokerage and Consultant Services. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. It is critical to this proposal that you provide a list of municipal entities that you serve as the broker of record. For all similar municipal entities please provide the name and address of the client and the years of engagement.

III-3 Personnel

The proposal will include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Office locations for these personnel will be included in the listing. The information will include experience in Insurance Brokerage and Consultant Services. Indicate the responsibilities each will have in this project and how long each has been with your company. A minimum of three employees will be identified as assigned to the City of Scranton. Identify subcontractors you intend to use and the services they will perform.

III-4 Training

If appropriate, indicate recommended training of City personnel. In certain instances, broker may be required to attend safety meetings and/or coordinate with counsel for the City. In the case of the proposer providing Worker's Compensation insurance policies, the proposer must be prepared to assist with all discounts for the City based upon safety programs and policies.

III-5 Cost of Insurance

Proposers should specifically set forth the type of insurance that it seeks to submit a proposal for as broker of record. The proposer should set forth a specific cost estimate for the insurance. Proposer should summarize its strategy for procuring such insurance policies and identify existing relationships for coverage.

III-6 Cost Submittal

The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be provided as an exhibit within the proposal, separate from the technical submittal.** Provide a detailed compensation structure. It is anticipated that the selected Proposer will be compensated from the insurer(s) in the form of City and/or fees for coverage placed by the selected Proposer. Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal unless specifically requested by the City to do so. Proposers should direct in writing to the Issuing Office any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis. **Any costs not identified in the cost proposal will be assumed as no charge to the City.**

The selected Proposer shall only perform work on this contract only upon formal approval by the Council of the City of Scranton. The City shall issue a Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after formal Council approval. The selected Proposer shall not start the performance of any work prior to the date of the Notice to Proceed and the City shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No City employee has the authority to verbally direct the commencement of any work under this Contract without formal Council approval.

PART IV

CRITERIA FOR SELECTION

IV-1

Mandatory Responsiveness Requirements

To be eligible for selection, a proposal must be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

IV-2 Proposal Evaluation

Proposals will be reviewed, evaluated, and rated by the Office of Business Administration and subject to approval from the Mayor and City Council. The award will only be made to a Proposer(s) determined to be responsive and responsible in accordance with the Request for Proposal following approval by Scranton City Council. The City of Scranton is not obligated to accept the lowest cost proposal if not in the best interest of the City.

IV-3 Evaluation Criteria

The following criteria will be used in evaluating each proposal:

	Responsiveness Criteria	Points (maximum)
1	Cost of Insurance	25
2	Understanding of City's Operation and Related Insurance Needs/Ability to Perform	25
3	Qualifications and Experience of Team Members	20
4	Input from Reference Contacts	10
5	Quality and Comprehensiveness of Proposal/Compliance	10
6	Principal Location in the City of Scranton	10

1. Cost of Insurance

Cost data will be identified separately in an exhibit to the proposal. Cost should be delineated in tabular format. This refers to the Proposer's understanding of the City needs that generated the RFP, of the City's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

2. Understanding of the City's Operation and Related Insurance Needs.

Does the Proposer have a thorough understanding of the operation of the City government and the related insurance needs. Does the Proposer have the ability to meet those needs on a consistent basis. This also criterion includes the Proposer's financial ability to undertake a project of this size.

3. Proposer Qualifications and Team Experience.

This criterion refers to the ability of the Proposer to meet the terms of the Request through a competent understanding of the City's insurance needs by those individuals assigned to manage the City's relationship. Particular emphasis is place on the qualifications of the project manager. The Proposer's demonstrated experience with similar municipal entities and their history of savings and relationships with insurance coverage providers will be considered.

4. Input of Reference.

This criterion refers to the attestation of the quality of management supporting existing municipal relationships. Three references will be provided.

5. Quality and Comprehensiveness of Proposal/Compliance with Proposal Criteria.

Emphasis here is on concisely meeting the requirements of the Request for Proposal. Elaborate proposals receive no more weighting than those with concise responses.

6. Principal Location in the City of Scranton.

This criterion emphasizes the commitment of the firm to the City of Scranton by a physical presence within the City geography.

PART V

WORK STATEMENT

V-1 Objectives

A. General.

The City is seeking proposals from qualified firms to act as an insurance broker and consultant for services related to the types of insurance, and any other recommended insurance, set forth in Part I-5 above.

B. Specific.

The insurance broker will provide an assessment of the market conditions that will affect the insurance placement of the listed coverages over the period of appointment and shall function as a member of the City's risk management team and provide the following specific services:

1. Gather all requisite exposure data and loss data from the City for use in development of and/or updating of coverage specifications.
2. Prepare coverage specifications for the City's review and approval.
3. Negotiate with interested insurance carriers to obtain the most favorable rates and premiums available to the City under the existing market conditions.
4. Review all proposals received from insurance carriers with the City, with written recommendations as needed which shall state in detail satisfactory to the City the reasons for the recommendation or course of action.
5. Act upon the selected course of action and purchase insurance without lapse in coverage. The necessary policies and coverages selected on behalf of the City will be purchase with an assurance to providing a smooth transition, when necessary.
6. Monitor and update coverages and recommend additional coverages and/or insurances that may be necessary for the City based upon their risks (including but not limited to cyber security).
7. Be familiar with the operations of the City of Scranton and the function of each City Departmental duties in order to formulate the type of insurance necessary to protect the City's interests.
8. Meet with City Business Administrator, Human Resources Director, City Solicitor and staff when necessary to review coverages and concerns.
9. Provide insurance requirements and risk management training to City personnel when necessary.
10. Establish and maintain with City personnel an updated listing of real and personal property owned or lease by the City and intended for coverage and to determine and update the types of coverage necessary to protect the City's interests.

V-2 Nature and Scope of the Project.

The Proposer shall provide the available resources to effectively review and place All-Risk, Builder's Risk, Terrorism, Commercial Umbrella, Director's & Officers, Workers' Compensation, Boiler & Machinery coverage's, auto and liability, cyber, and necessary policies for all departments of the city including police and fire services as applicable. Such broker shall be familiar with the city government operations and ensure all appropriate policies and coverages are in place and exclusions are fully analyzed.

V-3 Requirements.

All work performed by the proposer shall be done by personnel experienced in performing their assigned function. Proposer must list all persons working on this project including support staff and shall include their qualifications to do the work assigned them.

V-4 Tasks.

Assign experienced staff immediately upon proposal acceptance and execution of an Agreement to assess the City's insurance needs and provide recommendations regarding the appropriate types of insurance for the City. Conduct and provide an analysis of the City's real property and develop an appropriate limits structure.

Effectively review the City's current policy limits including deductibles, terms and conditions. Review the Property policy limits under Division I of the All-Risk and Builder's Risk. Division I assets to include: Buildings and their contents, telecommunications, parks and recreation facilities. Review the Property policy limits under Division II of the All-Risk and Builder's Risk. Division II assets to include: roadways and additional structures. Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of the City of Scranton and verify the reasonableness of the price for the coverage provided. Make recommendations to the City as to the most advantageous insurance program providing the highest level of coverage at the best possible price to meet the City's needs and objectives. Provide other insurance consultation services as it relates to any and all operations of the City in properly advising limits of insurance coverage for the coverages listed in Plan I-5 above, and similar cost reduction protocol. Solicit premium quotes from various insurance companies for such existing and proposed insurances. Establish desired coverage and continuously review the policy elements to achieve established goals. Review and comment on the financial condition and ratings of Insurance Carriers providing the coverages noted in Section V-1 above. Represent the City of Scranton in all negotiations with insurers, underwriters and other parties with regard to the insurance program with input and status with City Personnel. When instructed to do so by the City of Scranton, administer the placement of coverage and provide original binders, policies, and endorsements as required in the timetable specified by the City of Scranton. For written coverage, timeliness is essential and the selected broker shall agree to place coverage and issue binders prior to each policy's respective expiration.

Assure that insurance policies are placed with reputable and financially responsible insurers (based on insurance rating among other criteria), including keeping the City of Scranton informed of any changes in rating of the insurers and making recommendations should ratings change during the policy term. Continually evaluate the insurance program and recommend coverage changes and improvements to provide the highest level of coverage at the least possible cost to the City of Scranton. Oversee and coordinate all relevant services performed by insurance companies/underwriters or any service agencies arranged for insurance program related issues and concerns. Assist the City of Scranton in the completion of all applications, documents and gathering data which may be requested by insurance companies. Assign an Account Manager to the City of Scranton who will be responsible for communication with the City of Scranton and who, along with any other team members assigned, must be available on a daily basis to the City of Scranton for advice and consultation on insurance program related issues and concerns. Provide such other services related to the insurance coverage as the City of Scranton may reasonably request.

V-5. Reports and Project Control.

Upon completion of their review, the proposers will present to the City a detailed report on the current status of all coverages and provide a certification letter to the City outlining their findings, recommendations, and overview of the insurance policies.

INSURANCE SPECIFICATIONS

PREPARED FOR:

CITY OF SCRANTON

SCRANTON MUNICIPAL RECREATION AUTHORITY

2-3-17

LOCATIONS

<u>PREMISE #</u>	<u>BUILDING #</u>	<u>ADDRESS</u>
1	1	340 N. Washington Avenue, Scranton, PA 18503
2	1	518 Mulberry Street, Scranton, PA 18510
3	1	940 Wyoming Avenue, Scranton, PA 18509
4	1	205 -207 E. Market Street, Scranton, PA 18508
5	1	1047 North Main Avenue, Scranton, PA 18508
6	1	1900 E. Mountain Road, Scranton, PA 18505
7	1	2101 Pittston Avenue, Scranton, PA 18505
8	1	1409 Ash Street, Scranton, PA 18510
9	1	1919 Luzerne Street, Scranton, PA 18504
10	1	500 Vine Street, Scranton, PA 18509
11	1	1032 Greenridge Street, Scranton, PA 18509
12	1-15	Nay Aug Park, Scranton, PA 18510
13	1-3	960 Providence Rd., Weston Field, Scranton, PA 18508
14	1	Connell Park, Scranton, PA 18505
14		Connell Park, Scranton, PA 18505 Dog Park (Liab Only)
15	1-2	Novembrino Swim Complex, Scranton, PA 18504
16	1-2	Capouse Avenue Swim Complex, Scranton, PA 18509
17	1-3	Holister & Golden/Weston Park, Scranton, PA 18508
18	1	10 Mountain Lake Road, Scranton, PA 18505
19		Broadway St S. Side Sport Comp Scranton PA 1850 (Liab Only)
20		800 Providence Road, Scranton, PA 18508 (Liab Only)
21	1	Locust Street/South Side, Scranton, PA 18505

22	1	Holister & Stanley, Scranton, PA 18508
23	1	Cayuga & Putnam, Scranton, PA 18508
24	1	1531-1533 Nay Aug Avenue, Scranton, PA 18510
25	1	101 W. Poplar Street, Scranton, PA 18509
26	1	100 South Washington Avenue, Scranton, PA 18503
27	1	Merrifield Avenue, Scranton, PA 18504
28		2935-2937 Pittston Avenue, Scranton, PA 18503 (Liab Only)
29		PrinceSt,BaldMtRd,Laurel Mt Rd, Taylor,PA Acres(LiabOnly)
30	1	1300 Block of Diamond Avenue, Scranton, PA 18503
31	1	Providence Square, Scranton, PA 18505
32	1-2	500 Lackawanna Avenue, Scranton, PA 18505
33	1	Connors Park, 500 Orchard St, Scranton, PA 18509

Property Insurance Coverage

CAUSE OF LOSS FORM USED:

Special Form

Replacement Cost

Blanket Building & Contents Agreed Amount \$43,319,223

Business Income \$250,000

Terrorism Included

Deductible \$25,000

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

340 N. Washington Avenue, Scranton, PA 18503 – City Hall

1	1	Building	\$6,542,570

1	1	Contents	\$376,288

518 Mulberry Street, Scranton, PA 18510 – Fire Headquarters

2	1	Building	\$2,520,059

2	1	Contents	\$113,571

940 Wyoming Avenue, Scranton, PA 18509 – Fire House #6

3	1	Building	\$624,207

3	1	Contents	\$62,943

205 -207 E. Market Street, Scranton, PA 18508 – Fire House #8

4	1	Building	\$637,272

4	1	Contents	\$105,360

1049 North Main Avenue, Scranton, PA 18508 – Fire House #9

5	1	Building	\$521,142

5	1	Contents	\$80,730

1900 E. Mountain Road, Scranton, PA 18505 – Fire House #10

6	1	Building	\$220,649

6	1	Contents	\$34,207

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

2101 Pittston Avenue, Scranton, PA 18505 – Fire House #13

7	1	Building	\$675,016
7	1	Contents	\$165,567

1409 Ash Street, Scranton, PA 18510 – Fire House #15

8	1	Building	\$171,294
8	1	Contents	\$42,417

1917 Luzerne Street, Scranton, PA 18504 – Luzerne Engines #7 & #14

9	1	Building	\$537,108
9	1	Contents	\$109,465

500 Vine Street, Scranton, PA 18509 – Library (Albright)

10	1	Building	\$4,108,158
10	1	Contents	\$13,684

1032 Greenridge Street, Scranton, PA 18509 - Library

11	1	Building	\$377,429
11	1	Contents	\$27,367

Nay Aug Park, Scranton, PA 18510 – Zoo Building

12	1	Building	\$483,399

Nay Aug Park, Scranton, PA 18510 – Park Office

12	2	Building	\$181,456
12	2	Contents	\$91,677

Nay Aug Park, Scranton, PA 18510 – Filter Building

12	3	Building	\$72,582

Nay Aug Park, Scranton, PA 18510 – Storage Building

12	4	Building	\$36,290
12	4	Contents	\$4,105

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

Nay Aug Park, Scranton, PA 18510 – Bath House

12	5	Building	\$166,939
12	5	Contents	\$17,788

Nay Aug Park, Scranton, PA 18510 – Comfort Station

12	6	Building	\$53,711

Nay Aug Park, Scranton, PA 18510 – Band Stand #1

12	7	Building	\$91,454

Nay Aug Park, Scranton, PA 18510 – Band Stand #2

12	8	Building	\$95,809

Nay Aug Park, Scranton, PA 18510 – Snack Shop

12	9	Building	\$91,454
12	9	Contents	\$9,577

Nay Aug Park, Scranton, PA 18510 – Waterslide/Pool Complex

12	10	Building	\$316,458

Nay Aug Park, Scranton, PA 18510 – Foot Bridge & Observation Platform

12	11	Building	\$335,532

Nay Aug Park, Scranton, PA 18510 - Treehouse

12	12	Building	\$671,065

Nay Aug, Scranton, PA 18510 - Greenhouse

12	13	Building	\$168,826

Mulberry St, Scranton, PA 18510 – Lower Playground near Footbridge

12	14	Playground Equipment	\$84,414

Mulberry St, Scranton, PA 18510 – Upper Playground near Pool

12	15	Playground Equipment	\$39,393

960 Providence Rd/Weston Field, Scranton, PA 18508 – Field House

13	1	Building	\$4,545,105
13	1	Contents	\$551,430

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

960 Providence Rd./Weston Field, Scranton, PA 18508 - Pavilion

13	2	Building	\$426,782
13	2	Contents	\$216,195

960 Providence Rd./Weston Field, Scranton, PA 18508 - Bath House

13	3	Building	\$181,456
13	3	Contents	\$39,681

Connell Park, Scranton, PA 18505 - Bath House/Filter Room

14	1	Building	\$236,619
14	1	Contents	\$39,681

Novembrino Swim Complex, Scranton, PA 18504 - Bath House

15	1	Building	\$123,391
15	1	Contents	\$20,524

Novembrino Swim Complex, Scranton, PA 18504 - Filter Building

15	2	Building	\$72,582
15	2	Contents	\$8,210

Capouse Swim Complex, Scranton, PA 18509 - Filter House

16	1	Building	\$55,163
16	1	Contents	\$5,472

Capouse Swim Complex, Scranton, PA 18509 - Bath house

16	2	Building	\$185,810
16	2	Contents	\$31,156

Holister & Golden/Weston Park, Scranton, PA 18508 - Meeting Hall

17	1	Building	\$387,588
17	1	Contents	\$56,101

Holister & Golden/Weston Park, Scranton, PA 18508 - Filter House

17	2	Building	\$58,065
17	2	Contents	\$5,472

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

Holister & Golden/Weston Park, Scranton, PA 18508 – Bath House

17	3	Building	\$184,359
17	3	Contents	\$31,441

10 Mountain Lake Road, Scranton, PA 18505 –Community Center/ARC

18	1	Building	\$332,425
18	1	Contents	\$49,260

Locust Street/South Side, Scranton, PA 18505 – Pump House

21	1	Building	\$145,164
21	1	Contents	\$346,183

Holister & Stanley, Scranton, PA 18508

22	1	Building	\$177,101
22	1	Contents	\$68,416

Cayuga & Putnam, Scranton, PA 18508

23	1	Building	\$105,971
23	1	Contents	\$13,684

1531-1533 Nay Aug Avenue, Scranton, PA 18509

24	1	Building	\$137,907

101 W. Poplar Street, Scranton, PA 18509 - DPW

25	1	Building	\$5,234,636
25	1	Contents	\$1,287,585

100 South Washington Avenue, Scranton, PA 18503 – Police Station

26	1	Building	\$5,024,930
26	1	Contents	\$118,412

Merrifield Avenue, Scranton, PA 18504

27	1	Building	\$62,410
27	1	Contents	\$55,791

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

1300 Block of Diamond Avenue, Scranton, PA 18503

30	1	Building	\$691,881

Providence Square, Scranton, PA 18505 - Clock

31	1	Building	\$33,425

500 Lackawanna Ave, Scranton, PA 18505 - Clock

32	1	Building	\$42,139

500 Lackawanna Ave, Scranton, PA 18505 - Elevator/Stairs/Walkway

32	2	Building	\$750,000

500 Orchard Street, Scranton, PA 18509 - Pavilion/Playground

33	1	Building	\$22,511

33	1	Fence	\$45,895

33	1	Equipment	\$32,782

Equipment Breakdown

<u>COVERAGES</u>	<u>LIMITS</u>
Equipment Breakdown Limit	Property Damage Included
Business Income	Included
Extra Expense	Included
Spoilage	Included
Data Restoration	Included
Demolition and ICC	Included
Expediting Expenses	Included
Hazardous Substances	Included
Utility Services	Included
Newly Acquired Locations 180 Days	
Service Interruption 24 hour deductible	
Deductible	\$25,000

Equipment Floater Limits

TYPE OF EQUIPMENT DEDUCTIBLE

Scheduled Equipment \$10,000 Ded

Replacement Cost

Misc. Equipment \$7,500 Max Any One Item / \$100,000 Total Limit

Rental Reimbursement \$10,000 Limit

SCHEDULED EQUIPMENT

<u>ITEM #</u>	<u>YEAR</u>	<u>DESCRIPTION</u>	<u>MODEL</u>	<u>ID/SERIAL #</u>	<u>AMT OF INS.</u>
1	1989	Case Skid Loader		JAF0017310	\$25,000
2	2007	NH Brush Hog		ACT254827	\$45,000
3	2005	NH Skid Steer		NLS190	\$14,000
4	2015	SCAG Lawn Mower		KO300489	\$9,532
5	2015	Loader	524K	1DW524KZJFE669800	\$138,665
6	2015	Segway PT		152231098213	\$7,500
7	2007	Quickview Camera E510-9002		0807QV02	\$14,419
8	1989	Ingersol Rand Air Compressor		237964UHD328	\$10,000

Electronic Data Processing

<u>TYPE OF EQUIPMENT</u>	<u>LIMIT</u>	<u>DEDUCTIBLE</u>
EDP	\$1,131,518	\$10,000

Commercial Crime Coverage

<u>COVERAGES</u>	<u>LIMIT</u>	<u>DED.</u>
INSURING AGREEMENTS:		
Employee Dishonesty (A)	\$250,000	\$10,000
Forgery or Alteration (B)	\$150,000	\$10,000
Computer & Funds Transfer Fraud	\$100,000	\$10,000
Money and Securities – Inside and Outside	\$100,000	\$10,000
Money Order and Counterfeit Paper – In/Out	\$100,000	\$10,000
Robbery & Safe Burglary Inside the Premises (Property other than Money and Securities)	\$100,000	\$10,000

Joint Insured: Scranton Redevelopment Authority- Employee Dishonesty

Commercial General Liability Coverage

COVERAGE WRITTEN ON:

Occurrence Form

<u>COVERAGE</u>	<u>LIMITS</u>
General Aggregate Limit	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000
Personal/Advertising Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Limit – Premises Rented to You	\$1,000,000
Medical Expense Limit - Any One Person	\$5,000
Sexual Molestation Aggregate Limit	\$500,000
Sexual Molestation Per Claim	\$250,000
Deductible Each Claim	\$50,000
Terrorism Included	

Liability coverage extends to the Waterslide and Pool complex -- Nay Aug with \$1,000 Deductible

Commercial Automobile Coverage

<u>COVERAGE</u>	<u>LIMIT</u>	<u>PER</u>
LIABILITY (A):		
Bodily Injury and Property Damage	\$1,000,000	CSL Ea. Accident
Hired and Non-Owned Auto Liability	Included	
Liability Deductible	\$50,000	Each Accident
Personal Injury Protection Medical Expense Limit	\$10,000	
Uninsured Motorist	Excluded	
Underinsured Motorist	Excluded	
Physical Damage Deductible		
Comprehensive	\$5,000	
Collision	\$5,000	
Hired Auto Physical Damage	Included	
Comprehensive Deductible	\$5,000	
Collision Deductible	\$5,000	
Total Units 282		

Vehicle Schedule

Year	Make	Model	Vehicle ID
1992	Dodge	Truck	1B6MM36C8NS570769
1997	Ford	Explorer	1FMDU34X9VUD52276
1997	Ford	F-250 P-U	1FHF26H9VED06151
1977	Intl		D1035GCA25640
2003	American	LaFrance	4Z3AADBS03RL65452
1997	Ferrara		4S7CR1098VC21867
1997	Ferrara		4S7HR1090VCO23277
1997	Ferrara		4S7HR1099VC21799
1989	Sutphen		1S9A1BBD3K1003704
1993	Emergency		4ENDAA81P1002983
1995	Emergency		4ENGAA86S1004931
1990	Sutphen	Truck	1S9A1BBDXL1003751
1986	Sutphen	Ladder Trk	1S9A3KFB5G1003359
2002	Ferrara	Truck	4S7AX42922C042463
2002	Scott	Trailer	1SSTT1PT7211SS612
2002	Chevy	Sedan	2G1WF55KX29366498
2002	Chevy	Sedan	2G1WF55K329367069
2001	Chevy	Sedan	2G1WF55K519311729
2002	Chevy	Sedan	2G1WF55K929360806
1997	Dodge	Sedan	2B2HD46F9VH759096
2000	Chevy	Blazer	1GNDDT13WOY2274756
2001	Dodge	Pick-Up	1B7GG26N11S212355
1997	Ford	Bucket TK	1FLDF47F1VEC12411
1994	Ford	Van	1FDKE30G0RMC05210

Year	Make	Model	Vehicle ID
2004	Yamaha	ATV	5Y4JW41Y54A000873
2002	Sterling	Dump	2FZAAWAK92AK15780
2002	Sterling	Dump	2FZAAWAK02AK15781
2003	Ford	Dump	1FDAF57FX3EA54063
2003	Ford	Dump	1FDAF57F53EA33511
2003	Ford	Dump	1FDAF57F63EA40256
2003	Ford	Dump	1FDAF57P23EB48866
2000	GMC	Dump	1GDKC34J8YF442131
1990	GMC	Truck	1GDT7D4YXLV507751
1999	Volvo	Pack	4VMDCKHE9XN784474
2003	Intl	Truck	1HTMMAAL03H590018
2003	Intl	Truck	1HTMMAAL23H590019
2003	Intl	Truck	1HTMMAAN33H597367
2003	Intl	Truck	3HTMMAANX3N590026
2003	Intl	Truck	3HTMMAAN13N590021
2003	Intl	Truck	1HTMMAAB03H597176
2003	Peterbilt	Dump	2NPNHD8X33M809418
2003	Peterbilt	Dump	2NPNHD8X53M809429
1978	Mitler	Welder	
	Blaw-Knox	Paver	PF875010015
	General	Trailer	15584
1995	Viking	Trailer	1V915302751038260
2003	Powell	Trailer	1P9CP232X3P252003
2003	Haulmark	Trailer	16HPB16214P033777
1997	Ford	Pickup	1FTHF26H8VEC74521
1997	Ford	Pickup	1FTHF26HXVEC74522

Year	Make	Model	Vehicle ID
1997	Ford	Pickup	1FTHF26H6VEC74520
1997	Ford	Pickup	1FTDF1727VNA26540
1973	Wenger	Showmobile	1491
1994	Cross	CountryTRL	1CSFS1214R1431412
1987	Kustom Kar	Trailer	100352
1986	Olathe	Trailer	350163
2005	Ford	350 Pickup	1FTWF33565ED28759
2005	Ford	350 Pickup	1FTWF33525ED28760
2005	Ford	250 Pickup	1FTNF21535ED28761
1988	Chevy	Van	1GCJP32JXJ332978
2004	Sterling	Pack	2F2HCKDC24AN21022
2004	Sterling	Pack	2FZHCHDC04AN21035
2004	Sterling	Pack	2FZHCHDC84AN21042
2005	Ringo	Trailer	5M7UF16255PO00586
2005	Dodge	Pickup	1D7HW42K15S179531
2005	Dodge	Pickup	1D7HW42K35S179532
2005	Dodge	Pickup	1D7HW42KS5S179533
2005	Dodge	Pickup	1D7HW42K75S179534
2005	Eager	BeaverTrlr	11248V322SL069660
2005	John Deere	160C Excav	FF160CX045059
2004	John Deere	310Backhoe	T0310SG931964
2006	Freightlin	DumpTrtk	1FVHC7CV86HW24069
2007	Freightlnr	TriaxleDum	1FVHC5DEO7HX62645
2000	Chevy	Malibu	1G1NE52J8Y6344557
2000	Ford	Van	1FTSE34F94HA33182
2003	Intl	Trtk	3HTMMAANX3N590020

Year	Make	Model	Vehicle ID
2003	Chevy	Trailblazer	1GNDDT13S232195658
2003	John Deere	Wheel Load	DWTCH54H589178
2007	Ford	Crown Vic	2FAFP71W77X100549
2007	Ford	Crown Vic	2FAFP71W57X100551
2007	Ford	Crown Vic	2FAFP71W77X100552
2007	Freightlin	DumpTrk	1FVHC7DE97HY31327
2006	Kenco	Trlr	1K9FA11256S188127
2003	Ford		2FAFP71W63X168786
2003	Ford	Crown Vic	2FAFP71W83X217888
2003	Ford	Crown Vic	2FAFP71W53X203074
2003	Ford	Crown Vic	2FAFP71W33X130657
2006	GMC	Broom	J8DE5B16567300391
2006	GMC	Broom	J8DE5B16767301286
2003	Intl		1HTMMAAP93H575942
2004	Jeep	S/W	1J8GW48S34C254826
2007	Ford	F550	1FDAW57P87EB31303
2003	Chevy	Impala	2G1WF52E639229400
2007	Freightlin	DUMP	1FVDC3DJ77HY31329
2007	Freightlin	DUMP	1FVDC3DJ57HY31331
2007	Sterling	Packer	2FZHCHDC47AZ50733/FP5018801
2007	Sterling	Packer	2FZHCHDC67AZ50734/FP5018802
2007	Sterling	Packer	2FZHCHDCX7AZ50736/FP5018803
2004	GMC	Envoy	1GKDT13S042343756
2003	Chevy	Impala	2G1WF52E039356577
2002	Chevy	Impala	2G1WH55K229175474
2002	Chevy	Impala	2G1WH55K029210187

<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Vehicle ID</u>
2008	Ford	Expedition	1FMFU165X8LA47405
2005	Chevy	Trailblazer	1GNDT13SX52261537
2005	Chevy	Impala	2G1WF55K059191621
2004	Chevy	Impala	2G1WF55K249348192
2003	Chevy	Van	1GCFG15X431132436
2006	Thortravel	Trailer	47CTS5P206L117174
2006	Gulfstream	Trailer	1NL1GTM2461071194
2007	Sterling	Packmaster	2FZACGDC87AY06680
2007	Sterling	Packmaster	2FZACGDCX7AY06681
2009	Harley	Mtr Cycle	1HD1FMM159Y605108
2009	Harley	Mtr Cycle	1HD1FMM149Y602314
2009	Harley	Mtr Cycle	1HD1FMM1X9Y603063
2009	Harley	Mtr Cycle	1HD1FMM149Y606217
2009	Harley	Mtr Cycle	1HD1FMM119Y604618
2008	Ford	Expedition	1FMFU16528LA78275
2008	Ford	Expedition	1FMFU16508LA78274
2008	Ford	Crown Vic	2FAFP71V68X179673
2008	Ford	Crown Vic	2FAFP71V88X179674
2008	Ford	Bear Cat	1FDAF57R68ED38551
2008	Ford	Expedition	1FMFU16548LA78176
2005	Chevy	Impala	2G1WF55K359309290
2008	Ford	550	1FDAF56RX8EE32949
2010	KME	Fire Truck	1K9AF4283AN058760
2000	Chevy	SW	3GNFK16T4YG120099
2009	Carry On	Trailer	4YMUL101X9V036721
2003	Chevy	Blazer	1GNDT13X33K109530

Year	Make	Model	Vehicle ID
2004	Chevy	Impala	2G1WF525549306362
2005	Chevy	Impala	2G1WF55K559312885
2007	Western	Dump	5KKHAECV57PW39141
2002	Chevy	SW	1GNDT13S322150565
2010	Chevy	Pickup	1GC3KVBG9AF122563
2010	Chevy	Pickup	1GC3KVBG0AF121396
2010	Ford	550	1FDAF5HR8AEA98388
2009	Ford	550	1FDAF57R99EA75179
2009	Ford	550	1FDAF57R99EB14708
2006	Ford	Explorer	1FMEU74E86UB38911
2002	Chevy	Van	1GCFG15W121147613
2011	Intl	7400	1HTWGAZT5BJ321265
2011	Intl	7400	1HTWGAZT3BJ321264
2011	Intl	7400	1HTWGAZT1BJ321263
2003	Chevy	SW Blazer	1GNDT13X43K119435
1984	Spartan	Fire Engin	S29XT6F03EC423680
2006	Chevrolet	Impala	2G1WB58K769430705
2000	Ford	Taurus	1FAFP5323YG249546
2001	GMC	Savanna	1GDGG31W311900090
2007	Ford	Crown Vic	2FAHP71W17X148251
2004	Chevrolet	Impala	2G1WF55KX49370800
2007	Ford	Crown Vic	2FAFP71W17X153439
2003	Ford	Crown Vic	2FAFP71W23X196911
2000	Ford	Explorer	1FMPU16L7YLC35415
2005	Chevrolet	Impala	2G1WF55K359312996
2007	Wells	Cargo Trlr	1W4200F2378010236

Year	Make	Model	Vehicle ID
2007	Freightlin	Dump	1FVDC3DJ57HY31328
2007	Freightlin	Dump	1FVDC3DJ37HY31330
2007	JD Backhoe	310SG	T0310SG961307
2004	Jeep	GR Cheke	1J4GW48S44C254545
2010	Quality	Trailer	5NDFT1624AS001656
2006	Chevrolet	Uplander	1GNDX33L06D221496
2011	Ford	F350	1FT8W3DT4BEB32840
2005	Chevy	Impala	2G1WF55K159312091
2007	Chevy	Impala	2G1WS58R179415745
2007	Chevy	Impala	2G1WS58R279415558
2007	Chevy	Impala	2G1WS58BX79381885
2001	Dodge	SW	1B4HS28N81F637500
2008	Dodge	S/W	1D8HB38N08F140090
2003	Chevy	Sedan	2G1WF55K139354726
2006	Cross	Country	431FS16266100781
2004	GMC	Van	1GTGG29UX41146482
2001	GMC	Van	1GDGG31W211900078
2008	Chevy	Express	1GBHG31K881139450
2006	Chevy	Impala	2G1WS581569362539
2003	Chevy	Van	1GNDX23E43D283698
2005	Ford	Explorer	1FMZU72K35ZA76104
2007	Chevy	Impala	2G1WS58R179415535
2013	Ford	Taurus	1FAHP2L88DG121549
2013	Ford	Taurus	1FAHP2L86DG121548
2013	Ford	Taurus	1FAHP2L82DG121546
2013	Ford	Taurus	1FAHP2L84DG121547

Year	Make	Model	Vehicle ID
2002	Nissa	SW	JN8DR09Y12W715857
2008	Chevy	Impala	2G1WS553681329444
2007	Chevy	Impala	2G1WS58R379322080
2007	Chevy	Impala	2G1WB58K179399257
2007	Chevy	Impala	2G1WS55RX79381132
2004	Ford	Explorer	1FMZU72K54ZB32459
2012	Kubota	RTV	ASKC1HDAHCG035987
2007	Ford	Sedan	2FAFP71W97X100553
2013	Ford	Taurus	1FAHP2M80DG204827
2013	Ford	Taurus	1FAHP2M89DG204826
2013	Ford	Explorer	1FM5K8AR6DGC11160
2013	Ford	Explorer	1FM5K8AR8DGC11161
2013	Ford	Explorer	1FM5K8ARXDGC11159
2006	Chevy	Sedan	2G1WB55K269253419
2004	Ford	Sedan	1FM2U72K942A55501
2014	GMC	Terrain	2GKFLWE35E6101433
2013	Ford	Explorer	1FM5K8AR4DGC92045
2013	Ford	Explorer	1FM5K8AR2DGC92044
2008	Chevy	Impala	2G1W5583X81294936
2014	Ford	Sedan	1FAHP2MK9EG100849
2014	Ford	S/W	1FM5K8D88EGB54545
2014	Ford	S/W	1FM5K8AR6EGA70737
2014	Ford	Explorer	1FM5K8AR2EGB44591
2013	Kovatch	KME	1K9AF4288DN058421
2004	Ford	Van	1FBNE31L14HB06728
2014	Ford	Sedan	1FAHP2MK2EG148340

Year	Make	Model	Vehicle ID
2014	Ford	Sedan	1FAHP2MK4EG148341
2008	Chevy	Sedan	2G1WB58K081217578
2013	Hallmark	Trailer	16HGB1628DP091059
2008	Chevy	SDN	2G1WS583281323586
2003	John Deere	Gator ATV	W0W6X4D001495
2005	Kawasaki	Mule ATV	JK1AFCE166B542804
2014	Belmont	Trailer	1B9CH182XEL657774
2005	Chevy	Van	1GNDV13L35D238978
2015	Ford	Dump Truck	1FDUF5HTXFEB12422
2015	Mack	GU813	1M2AX13C4FM029235
2015	Mack	GU813	1M2AX13C4FM029236
2015	Mack	GU318	1M2AX13C4FM029237
2015	Mack	GU318	1M2AX13C4FM029238
2014	Ford	Intercepto	1FAMP2MK6EG166324
2014	Ford	Intercepto	1FM5K8AR6EGC02234
2014	Ford	Intercepto	1FM5K8AR6EGC02235
2003	Freightlin	Pack Maste	1FVA8XCX53HL79913
2007	Peterbilt		2NPLHZ8XX7M699140
2005	Cargo	Trailer	4UG01C20245A02208
2015	Ford	Expedition	1FMJU1GTXFEB04142
2015	Ford 550	Dump	1FDUF5HT6FEC28104
2001	Chevy 3500	UT	1GBJK34U41E282228
2001	Chrysler	T & C	2C4GP44371R235783
2015	Ford		1FDBF3B63FEB13345
2015	Marathon	Tar Buggy	2M9KEB154F102306
2015	Toyota	Camry	4T1BF1FK2FU046660

Year	Make	Model	Vehicle ID
2015	Ford	Police Car	1FAHP2MK8FG165239
2015	Ford	Police Car	1FAHP2MK4FG165240
2015	Ford	Police Car	1FAMP2MK6FG165241
2004	Ford	Expedition	1FMPW6WX4L878878
2003	Jeep	Liberty	1JGU48K03W572510
2016	Ford	F350	1FT8W3D63GEA38918
2008	Mercedes	Sedan	WDDGF81XX8F076590
2011	Chevy	Sedan	2G1WF5EK5B1259504
2011	Chevy	Sedan	2G1WF5EK8B1239411
2010	Chevy	Sedan	2G1WA5EK4A1262987
1999	Chevy	Van	1GBMP32R0X3301554
2016	Mack		1M2AX30CXGM001652
2015	Toyota	Tacoma	3TMMU4FNXFM078694
2015	Ford	Sedan	1FAHP2MK3FG195376
2016	KME	Pumper	1K9AF4S86GN058258
2015	Ford		1FTNR2CMXFKA71192
2016	FORD	F-250	1FTBF2B6CGEB21328
2007	Freightlin		WDYPE745675151618
2016	Ford	F-250 XL	1FTBF2B66GEC44835
2016	Ford	Escape SE	1FMCU9GX9GUB51510
2016	Ford	Intercepto	1FAHP2MK3GG101109
2016	Ford	Intercepto	1FAHP2MK7GG116843
2016	Ford	Intercepto	1FAHP2MK9CG116844
2009	Jeep	SW	1JBFF47B59D242689
2005	Toyota	4 Runner	JTEBT14R150048950
2005	Chevy	Trailblaze	1GNEK13V45J234919

Year	Make	Model	Vehicle ID
2016	Ford	F550	1FDUF5HT2GEC44902
2016	Ford	F550	1FDUF5HT6GEC44904
2016	Chevy	Tahoe S/W	1GNSKFEC0GR318397
2017	Mack	Truck	1M2AX13C8HM037065
2016	Ford	Intercepte	1FM5K8ARXGGD32827
2016	Ford	F550	1FDUF5HT0GEC44901
2016	Ford	F550	1FDUF5HT4GEC44903
2016	Dodge	Durango	1C4RDJAG5GC485063
2016	Jeep	Patriot	1C4NURBB6GD640027
1991	GMC		1GDM7H1J2MJ511966
1997	Ford	SW	1FBJS31FLVHB23471
2017	KME	Pumper	1K9AF4S82HN058503
2011	Ford	Taurus	1FAHP2DW1BG168402
2016	Ford	Swat Truck	1FDUF4HY0GEC24850
2017	Ford	Explorer	1FM5K8AR8MGA4414
2017	Ford	Explorer	1FM5K8ARXHGA94415
2003	Mack	Clam Truck	1M2P263CX3M034392
2015	Mack	GU713	1M2AX04C1FM025121
2015	Ford	F-250	1FTBF2868FEB55265
2011	Intl	Vac' Truck	1HTMMAA43BJ387003
2014	Freightlin	Sweep	3ALACXDTXE0FN5049
1999	John Deere	310Backhoe	T0310EX873031
2004	Mitsubishi	SW	4A4MN21S94E130519
2017	Mack Packer		1M2AX13C7HM038577

Law Enforcement Professional Liability

<u>COVERAGE</u>	<u>LIMIT</u>

Each Wrongful Act	\$1,000,000

Annual Aggregate	\$1,000,000

Deductible-Each Wrongful Act	\$150,000

Coverage Endorsements:

Occurrence

Defense Cost outside the Limit

Consent to Settle

The City retains the right to assign defense counsel not the insurance carrier.

Public Official & Employment Practices Liability

<u>COVERAGE</u>	<u>LIMIT</u>	<u>PER</u>
Public Officials Liability and Employment Practices Liability		
Each Wrongful Act	\$1,000,000	
Aggregate Limit of Liability	\$1,000,000	
Deductible-Each Wrongful Act	\$50,000	

Coverage Endorsements:

Claims Made

Defense Cost outside the Limit

Consent to Settle

Retro Date Full Prior Acts

The City retains the right to assign defense counsel not the insurance carrier.

Fiduciary Liability

<u>COVERAGE</u>	<u>LIMIT</u>	<u>SIR</u>
Fiduciary Liability	\$1,000,000	\$50,000 Per Claim
Claims Made		
Prior & Pending Date 4-1-2004		

Specific Excess Workers Compensation Coverage

<u>COVERAGE</u>		<u>LIMITS</u>
Workers Compensation:	Limit each Accident:	\$25,000,000
	Limit each Employee for Disease:	\$25,000,000
Employers Liability:	Limit each Accident:	\$1,000,000
	Limit each Employee for Disease:	\$1,000,000
	Limit-Aggregate:	\$1,000,000
SIR::	Each Accident:	\$800,000
	Each Employee for Disease:	\$800,000
Payroll: \$29,273,011		

AFFIRMATIVE ACTION CERTIFICATION

During the term of this contract, Bidder agrees as follows:

Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.

Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it; such factor shall be considered in mitigation in determining appropriate sanctions.

Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures. Bidder shall comply with all state and federal laws prohibiting

discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with the affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.

Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.

Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

Date _____

(Name of Bidder)

By _____

Title _____

CERTIFICATE OF NON-SEGREGATED FACILITIES

The Bidder certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term " segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub- contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

DATE _____

(Name of Bidder)

By _____

Title _____

NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF _____

COUNTY OF _____

_____ being first duly sworn, deposes
and says that

1. He is _____
(Owner, partner, officer, representative or agent)

of _____, the Bidder that has submitted the bid;

2. He is fully informed respecting the preparation and contents
of the attached Bid and of all pertinent circumstances
respecting such Bid;

3. Such Bid is genuine and is not a collusive or sham Bid;

4. Neither the said Bidder nor any of its officers, partners,
owners, agents, representatives, employees or parties in
interest, including this affiant, has in any way colluded,
conspired, connived or agreed, directly or indirectly with any
other Bidder, firm or person to submit a collusive or sham Bid
in connection with the Contract for which the attached Bid has
been submitted or to refrain from bidding in connection with
such Contract, or has in any manner, directly or indirectly,
sought by agreement or collusion or communication or
conference with any other Bidder, firm or person to fix the
price or prices in the attached Bid or of any other Bidder, or
to fix any overhead, profit or cost element of the Bid price
or the Bid price of any other Bidder, or to secure through any
collusion, conspiracy, connivance or unlawful agreement any
advantage against the CITY OF SCRANTON (Local Public Agency)
or any person interested in the proposed Contract; and;

5. The price or prices quoted in the attached Bid are fair and
proper and are not tainted by any collusion, conspiracy,
connivance or unlawful agreement on the part of the Bidder or
any of its agents, representatives, owners, employees, or
parties in interest, including this affiant.

NONCOLLUSION AFFIDAVIT
SIGNATURE PAGE

SIGNED _____

TITLE

SUBSCRIBED AND SWORN TO BEFORE ME
THIS _____ DAY OF _____

Title

MY COMMISSION EXPIRES _____

March 15, 2017

City of Scranton
Attention: Controller
340 North Washington Avenue
Scranton, PA 18503

Re: City of Scranton Insurance Coverages

Madam,

Enclosed is our response to your request for proposal. This letter will serve as notification that Knowles Associates, LLC is not currently in violation of any regulatory rules and regulations that may have an impact on our operations.

Additionally, please be advised that Knowles Associates, LLC is not involved in any current litigation with the City.

After review, please contact me with any questions.

Thank you very much for the opportunity to present a proposal for your consideration.

Regards,



Robert J. Knowles, Jr.

RJK/dmr
Enclosures

Knowles Associates L.L.C.
Insurance Consultants

316 Penn Avenue
Scranton, PA 18503
ph: 570.342.3214
800.566.9537
fx: 570.342.3125
www.knowlesins.com



Bid Premiums

Insured: City of Scranton

Date: March 15, 2017

Policy Term: 4-1-17 to 3-31-18

<u>COVERAGE</u>	<u>ANNUAL PREMIUM</u>
Property, Equipment Breakdown, Equipment Floater & EDP Crime, and General Liability	\$154,808
Commercial Automobile	\$127,194
Law Enforcement Liability	\$68,972
Public Officials & Employment Practices	\$96,801
Fiduciary Liability	\$14,766
Excess Workers Compensation	<u>\$238,575</u>
Total Premium	\$701,116
Fees*	<u>\$890</u>
Total Premium and Fees*	\$702,006

* Fees do not represent compensation paid to Knowles Associates.



CITY OF SCRANTON
REQUEST FOR PROPOSALS

III-1 Work Plan

Provide a detailed plan summary of coverages based upon the published bid specifications. Any modifications of the coverages must be noted in the proposal.

See Proposal.

III-2 Prior Experience

The Proposal should include experience in Insurance Brokerage and Consultant Services.

Knowles Associates has managed the City of Scranton's insurance for fourteen years. Our team has combined experience of over sixty years. Our company's origin dates back to 1963 and the average tenure of client relationships are over seventeen years. Knowles' success is based on a business model designed to lower our clients total cost of risk which is accomplished through the development and implementation of risk reduction strategies. Our proactive risk management solutions produce favorable outcomes and result in clients looking more attractive to the insurance marketplace. This combined with an annual risk assessment produces superior results. For example; The City of Scranton's insurance costs this year will decrease by 19% (approximately \$148,000).

Our strategy includes completing a marketplace analysis every three years. This year over twenty-five insurance carriers aggressively competed for your business. Their keen interest in your program is a reflection of the following factors: an RFP prepared by our agency that clearly outlines Scranton's exposures and claims activity and a three year commitment by the client that provides for pricing stability based on favorable loss experience.

Experience shown should be work done by individuals who will be assigned to this project as well as that of your company.

See attached resumes.

It is critical to this proposal that you provide a list of municipal entities that you serve as the broker of record. For all similar municipal entities please provide the name and address of the client and the years of engagement.

Kingston Township Supervisors- 180 E. Center Street – Shavertown, PA 18708, 5 years
Pocono Mountain Regional Police– 2454 Route 940 – Pocono Summit, PA 18346, 4 years

III-3 Personnel

The proposal will include the number and names where practicable of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc. who will be engaged in the work.

Our account team includes the Producer, Robert J. Knowles, Jr., Account Manager, Patricia M. Hozempa and an Assistant Account Manager, Diane M. Rakowicz.

Office locations for these personnel will be included in the listing.

Our account team works out of our Scranton location.

The information will include experience in Insurance Brokerage and Consultant Services. Indicate the responsibilities each will have in this project and how long each has been with your company. A minimum of three employees will be identified as assigned to the City of Scranton.

Robert J. Knowles, Jr. has thirty-five years in the insurance industry including Producer, Commercial Property & Casualty Underwriter and Commercial Account Manager and has been with Knowles thirty-four years. Robert will be responsible for overseeing the following areas: developing risk reduction strategies, addressing loss control issues, negotiating pricing and conducting market analysis.

Account Manager, Patty Hozempa, has been with Knowles fourteen years and has thirty-three years experience with commercial lines accounts and thirteen years experience handling the City's insurance and is responsible for the day to day service on the account. All service items and routine coverage issues will be handled by them with the support of an assistant account manager.

Assistant Account Manager, Diane Rakowicz, has been with Knowles seven years and will be responsible for certificates of insurance, maintaining vehicle schedule and supporting the Producer and Account Manager.

Identify subcontractors you intend to use and the services they will perform.

We are not using subcontractors for your proposal.

III-4 Training

If appropriate, indicate recommended training of City personnel. In certain instances, broker may be required to attend safety meetings and/or coordinate with counsel for the City. In the case of the proposer providing Worker's Compensation insurance policies, the proposer must be prepared to assist with all discounts for the City based upon safety programs and policies.

We currently attend claims review and stewardship meetings with PMA and the City.

III-5 Cost of Insurance

Proposers should specifically set forth the type of insurance that it seeks to submit a proposal for as broker of record. The proposer should set forth a specific cost estimate for the insurance. Proposer should summarize its strategy for procuring such insurance policies and identifying existing relationships for coverage.

Our criterion for evaluating and selecting the insurance carrier for the City of Scranton included the following factors:

1. The program/carriers experience with insuring municipalities- We believe stability is a critical factor for any successful insurance program. As a result, we partner with companies that have a long term commitment to this type of risk. They must provide the services required for successful risk management. They must provide broad and comprehensive coverages that insure proper protection. They must have experienced personnel that are able to support the client in matters involving claims, loss control and litigation. Finally, we believe their experience produces the best outcomes as evidenced by consistent pricing.
2. Financial stability-We partner with companies that have the resources to pay claims, provide quality service and offer comprehensive coverage supported by state of the art technology. As a result, the insurance carrier's financial performance measured by A.M. Best is important in our decision making process.
3. Program structure- Since your program includes significant deductibles and assignment of counsel; we evaluate any potential loss adjustment expenses that may impact you. We perform the cost/benefit analysis in selecting the appropriate deductibles/retentions

based on historical claims experience. We also review any subcontractor relationships the program has to insure service standards required by our agency.

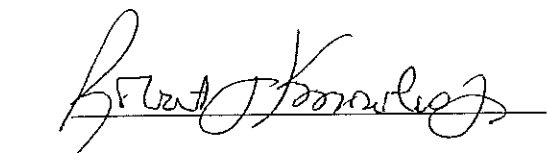
4. Pricing- We evaluate this from the broader perspective of *best value*. The premium and related costs are critical but not the sole criterion for our final decision. Our primary concern is that the client is properly insured. Our second concern is the loss control, claims and litigation support provided by the carrier. And lastly, we want to achieve this in a cost effective way which means competitive pricing.

Overall, this process involved discussions with over twenty-five insurance companies and resulted in improved coverages, enhanced services and premium saving of approximately \$148,000. We are recommending a change in carriers for your Package and Auto from Safety National to CNA. The resulting premium savings is approximately \$43,000. CNA has a long history in providing insurance for municipalities. They are rated A XV by A.M. Best and are the 15th largest property and casualty insurance company.

III-6 Cost Submittal

The information requested in this section shall constitute your cost submittal. The Cost Submittal shall be provided as an exhibit within the proposal, separate from the technical submittal. Provide a detailed compensation structure.

See attached Bid Premium page.



Robert J. Knowles, Jr.

Robert J. Knowles, Jr.
Knowles Associates
316 Penn Avenue
Scranton, PA 18503

EXPERIENCE

1985 – Present

Owner – Knowles Insurance Agency, Scranton, PA.

Knowles Insurance is a property-casualty insurance agency operating in Scranton, PA since 1963.

Responsibilities include agency management, strategic planning, sales and marketing.

1995 – 2000

Partner – Employees Choice

Responsible for developing alternative distribution systems for insurance industry employee benefits.

1993 – 1999

Vice-President – Knowles, Fonner & Associates

January 1983 – January 1985

Commercial Account Manager/Producer – Knowles Associates, Scranton, PA.

Responsibilities included servicing agency's existing commercial lines clients as well as increasing agency's client base.

January 1980 – December 1982

Commercial Property & Casualty Underwriter – Hartford Insurance Group, Philadelphia Regional Office, Voorhees, NJ.

June 1979 – December 1980

Assistant Casualty Underwriter – Hartford Insurance Group, Pittsburgh Regional Office, Pittsburgh, PA.

EDUCATION

September 1986 – June 1979

College of The Holy Cross, Worcester, MA

Graduate of Bachelor of Science – Economics Major

September 1971 – June 1975

Scranton Preparatory School

COMMUNITY INVOLVEMENT

Past

President – Country Club of Scranton – 2002 – 2004

President – Metro Action – 1996 – 1998

President – Waverly Community House – 2005 – 2007

Board of Directors – Country Club of Scranton – 1994 – 2006

Board of Directors – Scranton Preparatory School – 1998 – 2004

Board of Directors – Junior Achievement – 1999 – 2002

Board of Directors – Chamber of Commerce – 1996 – 1998

Board of Directors – YMCA – 1993 – 2010

Alumni Board of Directors – College of the Holy Cross – 1996 – 2002

Board of Trustees – Keystone College – 2005 – 2009

Member: Performing Arts Authority

Director: Franklin Security Bank

Current

Vice Chairman: Northeastern PA Health Care Foundation

Director: Burkavage Design

Personal: Resides in Waverly, PA with wife Michele and three children, Susan, Jack and Matt

Patricia A. Hozempa
1529 Old 115
Dallas, PA 18612

Qualifications

- Licensed in Property, Casualty & Allied Lines, Life, Accident & Health
- Experience in Commercial Lines Insurance for 33 years
- Member of International Association of Insurance Professionals
- Earned Certified Professional Insurance Woman designation (CPIW)
- Commercial Lines Department Manager-working with 6 Account Managers and 4 Producers
- Account Executive for large commercial accounts
- Obtains continuous education within the insurance industry

Experience

Knowles Associates, LLC, Scranton, PA December 2003 to Present
Commercial Lines Account Executive and Commercial Lines Manager

- Service Large Commercial Accounts - \$150,000 and higher
- Work on Multi Line Coverages – Property, General Liability, Workers Compensation, Excess Workers Compensation, Umbrella, Automobile, Inland Marine, Boiler and Machinery, Professional Liability, Director's and Officers, Employment Practices Liability, Cyber Liability, Medical Malpractice
- Process applications, changes, binders, proposals, audits, retro adjustments, claims and billing
- Review policy coverages
- Oversee new business and renewal process including price negotiations
- Provide day to day service to agency clients
- Work with over 25 insurance companies
- Work with staff to improve capabilities and provide excellent customer service
- Meet regularly with insurance company representatives

Galland, Steinhauer & Repa, Inc., Kingston, PA Sept 1984 to Dec 2003
Commercial Lines Account Manager and Automation Manager

- Serviced Commercial Accounts - \$25,000 to \$500,000
- Worked on Multi Line Coverages – Property, General Liability, Workers Compensation, Umbrella, Automobile, Inland Marine, Professional Liability, Liquor Liability, Boiler and Machinery, Directors and Officers, Employment Practices Liability
- Processed applications, changes, binders, proposals, certificate of insurance, auto id cards, audits, claims and billings
- Reviewed policy coverages
- Gathered renewal information
- Marketed new and renewal business, negotiated pricing
- Provided day to day service to agency clients
- Worked with several insurance companies
- Managed and maintained the agency's computer system
- Trained staff on agency management system (Applied Systems) and insurance company software programs

Diane M. Rakowicz
212 West Atherton Street
Taylor, PA 18517

Experience

Knowles Associates, LLC, Scranton, PA – 2010 to Present

Administrative Assistant to Robert J. Knowles, Jr., Commercial Lines Account

Managers and Controller

Responsibilities:

- Maintain licenses for 33 states for Principal and Agency
- Process submission applications for agency appointments – Commercial, Personal & Life Insurance
- Policy reviews
- Process Certificates of Insurance & policy changes
- Company correspondence
- Capabilities Presentations
- Customer Service Relations
- Accounting- Accounts Receivable posting, bank deposits, commission posting

T. P. Corporation – Duryea, PA 18642 – 1987 – 2008

Office Manager

Responsibilities:

- Weekly payroll administration including quarterly & end of year reports filing
- Accounts Receivable & Accounts Payable posting & invoicing, bank reconciliations
- Human Resource Administration/Employee Benefits
- Direct support to company president & plant manager

Topps Chewing Gum, Inc. – Duryea, PA 18642 1976 – 1980

Human Resources Secretary

Responsibilities:

- Support to personnel manager

**AN INSURANCE PROPOSAL
PREPARED FOR:**

CITY OF SCRANTON



PRESENTED BY:

ROBERT J. KNOWLES, JR.



March 15, 2017

SERVICING TEAM

Knowles Associates LLC

316 Penn Ave
Scranton, PA 18503
570-342-3214 (Phone)
570-342-3125 (Fax)
www.knowlesins.com

Account Manager

Patricia A. Hozempa
phozempa@knowlesins.com

Certificates of Insurance Requests

Diane M. Rakowicz
drakowicz@knowlesins.com

NAMED INSURED

City of Scranton

Scranton Municipal Recreation Authority

LOCATIONS

<u>PREMISE #</u>	<u>BUILDING #</u>	<u>ADDRESS</u>
1	1	340 N. Washington Avenue, Scranton, PA 18503
2	1	518 Mulberry Street, Scranton, PA 18510
3	1	940 Wyoming Avenue, Scranton, PA 18509
4	1	205 -207 E. Market Street, Scranton, PA 18508
5	1	1047 North Main Avenue, Scranton, PA 18508
6	1	1900 E. Mountain Road, Scranton, PA 18505
7	1	2101 Pittston Avenue, Scranton, PA 18505
8	1	1409 Ash Street, Scranton, PA 18510
9	1	1919 Luzerne Street, Scranton, PA 18504
10	1	500 Vine Street, Scranton, PA 18509
11	1	1032 Greenridge Street, Scranton, PA 18509
12	1-15	Nay Aug Park, Scranton, PA 18510
13	1-3	960 Providence Rd. Weston Field, Scranton, PA 18508
14	1-2	Connell Park, Scranton, PA 18505
15	1-2	Novembrino Swim Complex, Scranton, PA 18504
16	1-2	Capouse Avenue Swim Complex, Scranton, PA 18509
17	1-3	Holister & Golden/Weston Park, Scranton, PA 18508
18	1	10 Mountain Lake Road, Scranton, PA 18505
19		Broadway St S. Side Sport Comp, Scranton, PA 18505 (Liab Only)
20		800 Providence Road, Scranton, PA 18508 (Liab Only)
21	1	Locust Street/South Side, Scranton, PA 18505

<u>PREMISE #</u>	<u>BUILDING</u>	<u>ADDRESS</u>
22	1	Holister & Stanley, Scranton, PA 18508
23	1	Cayuga & Putnam, Scranton, PA 18508
24	1	1531-1533 Nay Aug Avenue, Scranton, PA 18510
25	1	101 W. Poplar Street, Scranton, PA 18509
26	1	100 South Washington Avenue, Scranton, PA 18503
27	1	Merrifield Avenue, Scranton, PA 18504
28		2935-2937 Pittston Avenue, Scranton, PA 18503 (Liab Only)
29		Prince St., Bald Mt. Rd., Laurel Mt. Rd., Taylor, PA (Liab Only)
30	1	1300 Block of Diamond Avenue, Scranton, PA 18503
31	1	Providence Square, Scranton, PA 18505
32	1-2	500 Lackawanna Avenue, Scranton, PA 18505
33	1	Connors Park, 500 Orchard St., Scranton, PA 18509

PROPERTY INSURANCE COVERAGE - CNA

CAUSE OF LOSS FORM USED:

Special Form: Provides coverage against All Risk of direct physical loss or damage, except those perils that are specifically excluded in the policy, for example:

- Catastrophe: (i.e. flood, earthquake, nuclear disaster)
- Maintenance: (i.e. wear & tear and gradual deterioration)

Blanket Building \$51,834,001
 Including *Scheduled Limit/Functional RC
 500 Vine Street, Albright Bldg. \$6,108,158

Blanket Contents \$4,232,222

Replacement Cost

Agreed Value

Deductible \$25,000

Terrorism Included

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

340 N. Washington Avenue, Scranton, PA 18503 – City Hall

1	1	Building	\$9,620,570
1		Contents	\$376,288

518 Mulberry Street, Scranton, PA 18510 – Fire Headquarters

2	1	Building	\$4,220,059
2	1	Contents	\$113,571

940 Wyoming Avenue, Scranton, PA 18509 – Fire House #6

3	1	Building	\$994,207
3	1	Contents	\$62,943

205 -207 E. Market Street, Scranton, PA 18508 – Fire House #8

4	1	Building	\$997,272
4	1	Contents	\$105,360

1049 North Main Avenue, Scranton, PA 18508 – Fire House #9

5	1	Building	\$821,142
5	1	Contents	\$80,730

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

1900 E. Mountain Road, Scranton, PA 18505 – Fire House #10

6	1	Building	\$320,649
6	1	Contents	\$34,207

2101 Pittston Avenue, Scranton, PA 18505 – Fire House #13

7	1	Building	\$1,575,016
7	1	Contents	\$165,567

1409 Ash Street, Scranton, PA 18510 – Fire House #15

8	1	Building	\$451,294
8	1	Contents	\$42,417

1917 Luzerne Street, Scranton, PA 18504 - #7 and #14

9	1	Building	\$937,108
9	1	Contents	\$109,465

500 Vine Street, Scranton, PA 18509 Library (Albright)

10	1	Building	\$6,108,158*
10	1	Contents	\$13,684

1032 Greenridge Street, Scranton, PA 18509 - Library

11	1	Building	\$377,429
11	1	Contents	\$27,367

Nay Aug Park, Scranton, PA 18510 – Zoo Building

12	1	Building	\$783,399

Nay Aug Park, Scranton, PA 18510 – Park Office

12	2	Building	\$381,456
12	2	Contents	\$91,677

Nay Aug Park, Scranton, PA 18510 – Filter Building

12	3	Building	\$122,582

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

Nay Aug Park, Scranton, PA 18510 –Storage Building

12 4 Building \$66,290

12 4 Contents \$4,105

Nay Aug Park, Scranton, PA 18510 – Bath House

12 5 Building \$166,939

12 5 Contents \$17,788

Nay Aug Park, Scranton, PA 18510 – Comfort Station

12 6 Building \$73,711

Nay Aug Park, Scranton, PA 18510 – Band Stand #1

12 7 Building \$91,454

Nay Aug Park, Scranton, PA 18510 – Band Stand #2

12 8 Building \$95,809

Nay Aug Park, Scranton, PA 18510 – Snack Shop

12 9 Building \$110,454

12 9 Contents \$9,577

Nay Aug Park, Scranton, PA 18510 – Waterslide/Pool Complex

12 10 Building \$316,458

Nay Aug Park, Scranton, PA 18510 – Foot Bridge & Observation Platform

12 11 Building \$335,532

Nay Aug Park, Scranton, PA 18510 - Treehouse

12 12 Building \$671,065

Nay Aug, Scranton, PA 18510 - Greenhouse

12 13 Building \$168,826

Mulberry St, Scranton, PA 18510 – Lower Playground near Footbridge

12 14 Playground Eq \$84,414

Mulberry St, Scranton, PA 18510 – Upper Playground near Pool

12 15 Playground Eq \$39,393

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

960 Providence Rd./Weston Field, Scranton, PA 18508 – Field House

13 1 Building \$5,945,105

13 1 Contents \$551,430

960 Providence Rd./Weston Field, Scranton, PA 18508 - Pavilion

13 2 Building \$726,782

13 2 Contents \$216,195

960 Providence Rd./Weston Field, Scranton, PA 18508 – Bath House

13 3 Building \$281,456

13 3 Contents \$39,681

Connell Park, Scranton, PA 18505 – Bath House//Filter Room

14 1 Building \$336,619

14 1 Contents \$39,681

Novembrino Swim Complex, Scranton, PA 18504 – Bath House

15 1 Building \$223,391

15 1 Contents \$20,524

Novembrino Swim Complex, Scranton, PA 18504 – Filter Building

15 2 Building \$72,582

15 2 Contents \$8,210

Capouse Swim Complex, Scranton, PA 18509 – Filter House

16 1 Building \$55,163

16 1 Contents \$5,472

Capouse Swim Complex, Scranton, PA 18509 – Bath House

16 2 Building \$285,810

16 2 Contents \$31,156

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

Holister & Golden/Weston Park, Scranton, PA 18508 – Meeting Hall

17	1	Building	\$487,588
17	1	Contents	\$56,101

Holister & Golden/Weston Park, Scranton, PA 18508 – Filter House

17	2	Building	\$98,065
17	2	Contents	\$5,472

Holister & Golden/Weston Park, Scranton, PA 18508 – Bath House

17	3	Building	\$284,359
17	3	Contents	\$31,441

10 Mountain Lake Road, Scranton, PA 18505 – Community Center/ARC

18	1	Building	\$532,425
18	1	Contents	\$49,260

Locust Street/South Side, Scranton, PA 18505 – Pump House

21	1	Building	\$145,164
21	1	Contents	\$346,183

Holister & StanleyPlace, Scranton, PA 18508 -

22	1	Building	\$177,101
22	1	Contents	\$68,416

Cayuga & Putnam, Scranton, PA 18508 Storage/Small Concession Stand

23	1	Building	\$105,971
23	1	Contents	\$13,684

1531-1533 Nay Aug Avenue, Scranton, PA 18509

24	1	Building	\$137,907

101 W. Poplar Street, Scranton, PA 18509 - DPW

25	1	Building	\$5,234,636
25	1	Contents	\$1,287,585

PRM# BLD# SUBJECT OF INSURANCE AMOUNT

100 South Washington Avenue, Scranton, PA 18503 – Police Station

26 1 Building \$5,024,930

26 1 Contents \$118,412

Merrifield Avenue, Scranton, PA 18504 – Merrifield Pump Station

27 1 Building \$62,410

27 1 Contents \$55,791

1300 Block of Diamond Avenue, Scranton, PA 18508

30 1 Building \$791,881

Providence Square, Scranton, PA 18508 - Clock

31 1 Building \$33,425

500 Lackawanna Ave, Scranton, PA 18503 – Clock

32 1 Building \$42,139

500 Lackawanna Ave, Scranton, PA 18503 – Elevator/Stairs/Walkway

32 2 Building \$750,000

500 Orchard Street, Scranton, PA 18505 – Pavilion/Playground

33 1 Building \$22,511

33 1 Fence \$45,895

33 1 Equipment \$32,782

PROPERTY EXTENSIONS AND ADDITIONAL COVERAGES

<u>COVERAGE</u>	<u>LIMITS</u>
Accounts Receivable – On Premises/Off Premises	\$250,000/\$50,000
Architects and Engineers Fees	Included
Backup of Sewer or Drains	\$25,000
Brands & Labels	Included in BPP Limit
Building Ordinance or Law	
Coverage A Undamaged Part of Building	Included as part of Building Limit
Coverage B (Demolition) & Coverage C (Increased Cost of Construction)	\$500,000
Business Income	\$250,000
Extra Expense – Other than Rental Value	\$500,000
Debris Removal	\$300,000
Deferred Payments	\$25,000
Exterior Building Glass	Included
Fair or Exhibitions	\$50,000
Fine Arts	\$50,000
Fire Department Service Charge	\$50,000
Inventory and Appraisal	\$50,000
Lost Key Replacement	\$25,000
Newly Acquired or Constructed Property	
Building	\$2,000,000
Business Personal Property	\$1,000,000
Off Premises Services-Direct Damage	\$500,000
Outdoor Signs, Antennae & Towers within \$1,000 feet	Included
Personal Effects	\$25,000
Pollutant Clean Up and Removal – 12 Month Aggregate	\$25,000
Preservation of Property	Included
Property at Unnamed Location (Excl Earthquake & Flood)	\$25,000
Property off Premises	
Property at Temporary Location	\$50,000
Personal Property in Transit	\$50,000
Installation Coverage	\$50,000
Recharge of Fire Protection Equipment	
Covered Cause of Loss	Included
Other than a Covered Cause of Loss	\$25,000
Restoration of Electronic Data - On Premises/Off Premises	\$250,000/\$50,000
Restoration of Valuable Papers - (Other than Electronic Data)	
On Premises/Off Premises	\$250,000/\$50,000
Reward Payments	\$10,000
Storage of Duplicate Data & Records	\$100,000

Theft Damage to Non-Owned Buildings	Included
Trees, Shrubs & Plants	\$25,000
Underground Pipes, Flues & Drains	Included
Policy Deductible	\$25,000

EQUIPMENT BREAKDOWN - CNA

<u>COVERAGE</u>	<u>LIMITS</u>
Equipment Breakdown Limit	\$50,000,000
Business Income/Extra Expense	\$250,000
Spoilage	\$250,000
Data Restoration	\$250,000
Expediting Expenses	\$250,000
Ammonia Contamination	\$250,000
Hazardous Substances	\$250,000
Ordinance or Law	\$100,000
Errors and Omissions	\$100,000
Brands and Labels	\$100,000
Utility Interruption	\$250,000
Newly Acquired Locations 60 days	
Service Interruption 48 hour deductible	
Deductible	\$25,000

EQUIPMENT FLOATER LIMITS – CNA

<u>TYPE OF EQUIPMENT</u>	<u>DEDUCTIBLE</u>

Scheduled Equipment	\$10,000 Ded
ACV	
Misc. Equipment \$25,000 Per Item/\$100,000 Total Limit	
Rental Reimbursement \$2,500 Per Occurrence/\$10,000 Aggregate	
Leased, Rented, or Borrowed \$75,000 Per Item/\$250,000 Per Occurrence	

SCHEDULED EQUIPMENT

<u>ITEM #</u>	<u>YEAR</u>	<u>DESCRIPTION</u>	<u>MODEL</u>	<u>ID/SERIAL #</u>	<u>AMT OF INS.</u>
1	1989	Case Skid Loader		JAF0017310	\$25,000
2	2007	NH Brush Hog		ACT254827	\$45,000
3	2005	NH Skid Steer		NLS190	\$14,000
4	2015	SCAG Lawn Mower		KO300489	\$9,532
5	2015	Loader	524K	1DW524KZJFE669800	\$138,665
6	2015	Segway PT		152231098213	\$7,500
7	2007	Quickview Camera	E-5100-9002	0807QV02	\$14,419
8	1989	Ingersol Rand Air Compressor		237964UHD328	<u>\$10,000</u>
Total					\$264,116

Electronic Data Processing – CNA

<u>TYPE OF EQUIPMENT</u>	<u>LIMIT</u>	<u>DEDUCTIBLE</u>

EDP	\$1,131,518	\$10,000

COMMERCIAL CRIME COVERAGE – CNA

<u>COVERAGES</u>	<u>LIMIT</u>	<u>DED.</u>
INSURING AGREEMENTS:		
Employee Dishonesty (A)	\$250,000	\$10,000
Forgery or Alteration (B)	\$150,000	\$10,000
Computer Fraud	\$100,000	\$10,000
Money and Securities – Inside and Outside	\$100,000	\$10,000
Money Order and Counterfeit Paper – In/Out	\$100,000	\$10,000
Robbery and Safe Burglary Inside the Premises (Property other than Money and Securities)	\$100,000	\$10,000

Joint Insured: Scranton Redevelopment Authority-Employee Dishonesty

COMMERCIAL GENERAL LIABILITY COVERAGE - CNA

COVERAGE WRITTEN ON:

Occurrence Form

<u>COVERAGE</u>	<u>LIMITS</u>
General Aggregate Limit	\$3,000,000
Products/Completed Operations Aggregate Limit	\$3,000,000
Personal/Advertising Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Limit – Premises Rented to You	\$1,000,000
Medical Expense Limit - Any One Person	\$5,000
Sexual Molestation	
Per Claim	\$250,000
Aggregate	\$500,000
Employee Benefits Liability	
Occurrence	\$1,000,000
Aggregate	\$3,000,000
Deductible Per Occurrence	\$50,000

ENDORSEMENTS:

Pesticide Applicator Coverage
Terrorism Included

EXCLUSIONS – THE FOLLOWING ARE IN ADDITION TO THE STANDARD EXCLUSIONS:

Employment Related Practices
Pollution
Asbestos
Silica, Respirable Dust, Lead Paint, Fungi, Mold, Mildew, Yeast Microbe
Injury to Volunteer Firefighters
Law Enforcement Activities
Fireworks
Carnivals, Circuses, & Fairs
Communicable Disease

NOTE:

Waterslide at Nay Aug Park is included in this policy. \$1,000 Deductible.

COMMERCIAL AUTOMOBILE COVERAGE – CNA & HARLEYSVILLE

<u>COVERAGE</u>	<u>LIMIT</u>	<u>PER</u>
LIABILITY (A):		
Bodily Injury and Property Damage	\$1,000,000	CSL Ea. Accident
Hired and Non-Owned Auto Liability	Included	
Liability Deductible	\$50,000	Each Accident
Personal Injury Protection Medical Expense Limit	\$10,000	
Uninsured Motorist	Excluded	
Underinsured Motorist	Excluded	
Physical Damage Deductible		
Comprehensive	\$5,000	
Collision	\$5,000	
Hired Auto Physical Damage	\$50,000	
Comprehensive Deductible	\$1,000	
Collision Deductible	\$1,000	
Total Units	282	

NOTE:

Replacement Cost coverage for Pumper Trucks, Ladder Trucks, Rescue, and Hazmat Vehicles.

Composite Rated

LAW ENFORCEMENT PROFESSIONAL LIABILITY-QBE SPECIALTY INS.

<u>COVERAGE</u>	<u>LIMIT</u>
Each Wrongful Act	\$1,000,000
Annual Aggregate	\$1,000,000
Deductible-Each Wrongful Act	\$150,000

Coverage Endorsements:

Occurrence

Defense Cost outside the Limit

Consent to Settle

Approved Defense Council-

The City would pay attorney directly and then be reimbursed for any amount that exceeds the deductible.

25% Minimum Earned Premium + Policy Fees

PUBLIC OFFICIAL & EMPLOYMENT PRACTICES LIABILITY- QBE Specialty Ins.

<u>COVERAGE</u>	<u>LIMIT</u>
Public Officials Liability and Employment Practices Liability	
Each Wrongful Act	\$1,000,000
Aggregate Limit of Liability	\$1,000,000
Deductible – Each Wrongful Act	\$50,000

Coverage Endorsements:

Claims Made

Defense Cost outside the Limit

Consent to Settle

Retro Date Full Prior Acts

Approved Defense Council

The City would pay attorney directly and then be reimbursed for any amount that exceeds the deductible.

25% Minimum Earned Premium + Policy Fees

Premium includes Risk Management Helpline

Following resources are being offered:

Access to speak directly to employment law attorneys and receive confidential, documented responses no later than the end of the next business day on over 50 HR Risk Management and Employment Law issues.

Online unlawful harassment training for all supervisors and employees.

A State-specific employee handbook building tool.

Customizable HR risk management resources including Federal and State-specific forms and posters.

HR express updates including popular Questions of the Month and HR Alerts.

FIDUCIARY LIABILITY-MARKEL AMERICAN

<u>COVERAGE</u>	<u>LIMIT</u>
Fiduciary Liability	\$1,000,000
Voluntary Compliance Program Expenditure	\$200,000
Self Insured Retention	\$50,000
Claims Made	
Prior Pending Date 4-1-2004	

SPECIFIC EXCESS WORKERS COMPENSATION COVERAGE- SAFETY NATIONAL

<u>COVERAGE</u>	<u>LIMITS</u>

Workers Compensation:	
Limit each Accident:	\$25,000,000
Limit each Employee for Disease:	\$25,000,000

Employers Liability	
Limit each Accident	\$1,000,000
Limit each Employee for Disease	\$1,000,000
Limit Aggregate:	\$1,000,000

Retention:	
Each Accident:	\$800,000
Each Employee for Disease	\$800,000

Payroll: \$29,273,011

Minimum & Deposit Premiums: \$238,575

Note: Payroll will be audited at the expiration of the policy and the premiums adjusted accordingly.

Safety National has included a Two Year Rate Commitment. See next page for details.

Safety National Casualty Corporation
1832 Schuetz Road
St. Louis, MO 63146

EXCESS WORKERS' COMPENSATION INSURANCE QUOTATION

4. RATE COMMITMENT & CONDITIONS

For purposes of this Rate Commitment:

2017 Policy Period refers to the policy period of: 04/01/2017-04/01/2018

2018 Policy Period refers to the policy period of: 04/01/2018-04/01/2019

If the below conditions are all met, Safety National agrees that there will be no change in the premium rate per exposure for the 2018 Policy Period over the rates that had been applied to the 2017 Policy Period.

- 1) The SIR and Limits will remain as expiring per the 2017 Policy Period bound with Safety National.
- 2) No certified "act of terrorism", as defined and set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act"), occurs during the 2017 Policy Period.
- 3) No significant change in exposure as applicable to the type of policy with "significant" being understood to mean a 15% change in exposure for any of the Policies over that for the 2017 Policy Period bound with Safety National.
- 4) No significant change in underwriting exposure through development of, or acquisition of, non-core business, with "significant" being understood to be a change that is in excess of 5% for any Policy over that in place for 2017 Policy Period bound with Safety National.

Safety National does consider any change in aircraft to be considered significant.

- 5) No material adverse change in the financial condition of the Insured, as determined by Safety National, over the 2017 Policy Period.
- 6a) No new, individual incurred loss during the 2017 Policy to exceed 50% of that Policy's applicable SIR/Retention amount with such losses to be valued as of 02/01/2018 or within 90 days prior to 04/01/2018.
- 6b) No development of existing claims (DOI prior to 04/01/2017) to exceed 50% of the Policy's applicable SIR/Retention amount with such losses to be valued as of 02/01/2018 or within 90 days prior to 04/01/2018.

The parties understand and agree that, if all the above stated conditions are not met as applicable to a particular policy period renewal, the Premium Rate per payroll/exposure for the 2018 Policy Period shall not be subject to any limitation nor guarantee with respect to rate increases.

If a two year policy is issued, the second year payroll period we will require as well as the following underwriting information:

- updated payroll by class code
- updated loss information as outlined above
- updated aircraft information (we must have each year for reinsurance purposes)
- updated Employee Concentration (EC) information
- Insured's agreement to work with Safety National to complete the premium audit (whether voluntary or physical) in a timely manner. We do a premium audit at the end of each 12 month policy period.

The following applies to the PO/EPL and Law Enforcement Policies:

The insurance carrier with whom we have quoted and have presented in this proposal of insurance is not admitted to transact business in the State of Pennsylvania. The insurance carrier is subject to limited regulation by the Pennsylvania State Department of Insurance. In the event the insurance carrier becomes insolvent, any and all losses occurring under this policy will not be covered by the Pennsylvania Property and Casualty Insurance Guarantee Association and will be the sole responsibility of the policyholder. Knowles Associates bears no financial responsibility for the insolvency and/or non-payment of claims of and by any insurance carrier.

PREMIUM QUOTATION

Insured: City of Scranton

Policy Term: 4-1-17 to 3-31-18

<u>COVERAGE</u>	<u>ANNUAL PREMIUM</u>
Property, Equipment Breakdown, Equipment Floater & EDP Crime, and General Liability	\$154,808
Commercial Automobile	\$127,194
Law Enforcement Liability	\$68,972
Public Officials & Employment Practices	\$96,801
Fiduciary Liability	\$14,766
Excess Workers Compensation	<u>\$238,575</u>
Total Premium	\$701,116
Fees*	<u>\$890</u>
Total Premium and Fees*	\$702,006

* Fees do not represent compensation paid to Knowles Associates.

PAYMENT PLANS:

Package, Equipment Breakdown, Equipment Floater, EDP, Crime, General Liability and Auto:
Annual or Installment Plan available.

Law Enforcement Liability, Public Officials & Employment Practices, Fiduciary Liability, and Excess
Workers Compensation: Annual or Premium Finance Agreement available.

DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. Please read your policy for specific details of coverages

Coverage Options:

Umbrella policy which provides additional coverage over your General Liability, Automobile, Public Officials and Law Enforcement Liability. Additional premiums are outlined below:

\$1,000,000 Umbrella - \$75,036
\$2,000,000 Umbrella - \$114,666
\$3,000,000 Umbrella - \$136,322
\$4,000,000 Umbrella - \$146,743
\$5,000,000 Umbrella - \$153,614

Note: premiums include \$9,600 for terrorism coverage.

Excess Workers Compensation:

Increasing your retention from \$800,000 to \$1,000,000 will result in a premium savings of approximately \$43,000. The Department of Labor and Industry-Self Insurance Division has approved the increase.

Law Enforcement Liability Coverage:

Reducing your deductible from \$150,000 to \$100,000 results in an additional premium of approximately \$7,800.

Cyber Liability - Insured should consider purchasing cyber liability coverage to address data breach exposure. Additional premium can be determined upon completion of a cyber liability application.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/23/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Knowles Associates 316 Penn Avenue Scranton, PA 18503 Robert J. Knowles, Jr.	CONTACT NAME: Robert J. Knowles, Jr.		
	PHONE (A/C, No, Ext): 570-342-3214	FAX (A/C, No): 570-342-3125	
INSURED Knowles Associates L.L.C. And Rjk Realty 316 Penn Avenue Scranton, PA 18503	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Penn National Insurance Co		14990
	INSURER B: American Alternative Ins. Co.		
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		BP90721651	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 2,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					PERSONAL & ADV INJURY \$ 2,000,000
	☐ POLICY ☐ PRO-JECT ☐ LOC					GENERAL AGGREGATE \$ 4,000,000
						PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY		AX90721651	07/01/2016	07/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☒ SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	☒ HIRED AUTOS	☒ NON-OWNED AUTOS				PROPERTY DAMAGE (PER ACCIDENT) \$
A	UMBRELLA LIAB	☒ OCCUR	UL90721651	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 2,000,000
	EXCESS LIAB	☐ CLAIMS-MADE				AGGREGATE \$ 2,000,000
	DED ☒ RETENTION \$ 0					
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WP90721651	07/01/2016	07/01/2017	☒ WC STATU-TORY LIMITS ☐ OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y/N				E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE \$ 500,000
						E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Errors & Omissions		3TA2PL000347700	09/03/2016	09/03/2017	Limit 2,000,000 Ded 10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

CITY OF City of Scranton 340 N Washington Avenue Scranton, PA 18503	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Robert J. Knowles Jr.

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AFFIRMATIVE ACTION CERTIFICATION

During the term of this contract, Bidder agrees as follows:

Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.

Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.

It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it; such factor shall be considered in mitigation in determining appropriate sanctions.

Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so that bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures. Bidder shall comply with all state and federal laws prohibiting

discrimination in hiring or employment opportunities. In the event of bidder's noncompliance with the affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.

Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.

Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.

Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

Date 3-01-2017

KNOWLES ASSOCIATES, LLC
(Name of Bidder)

By Grant Knowles

Title OWNER

CERTIFICATE OF NON-SEGREGATED FACILITIES

The Bidder certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal Opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term " segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub- contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

DATE 3-01-2017

KNOWLES ASSOCIATES, LLC
(Name of Bidder)

By

Title

Bruce Knowles
OWNER

NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF PENNSYLVANIA

COUNTY OF LACKAWANNA

Brent Knowles being first duly sworn, deposes and says that

1. He is OWNER
(Owner, partner, officer, representative or agent)
of KNOWLES ASSOCIATES, LLC, the Bidder that has submitted the bid;
2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the CITY OF SCRANTON (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

NONCOLLUSION AFFIDAVIT
SIGNATURE PAGE

SIGNED

Brent J. Knowles
OWNER

TITLE

SUBSCRIBED AND SWORN TO BEFORE ME
THIS 15th DAY OF

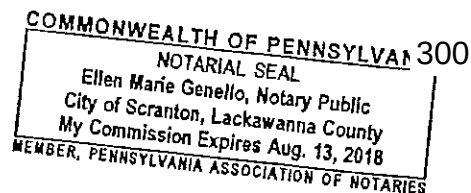
March

2017

Notary
Title

MY COMMISSION EXPIRES

August 13, 2018



RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A LEASE AGREEMENT WITH HORSEPOWER HARLEY DAVIDSON, INC. FOR THE LEASE OF FOUR (4) NEW 2017 POLICE PACKAGE MOTORCYCLES FOR THE CITY OF SCRANTON POLICE DEPARTMENT FOR A PERIOD OF THREE (3) YEARS FROM JUNE 1, 2017 THROUGH MARCH 31, 2020.

WHEREAS, the City of Scranton has used motorcycles for patrol functions in the Police Department and trained officers for that duty; and

WHEREAS, Horsepower Harley Davidson, Inc. has previously supplied five (5) police package Harley Davidson motorcycles, and the current lease is due to expire May 31, 2017; and

WHEREAS, the Police Department wishes to enter into a Lease Agreement with Horsepower Harley Davidson, Inc. for the lease of four (4) new 2017 police package Harley Davidson motorcycles; and

WHEREAS, the City will pay Horsepower Harley Davidson Eight Hundred Twenty (\$820.00) Dollars per month from June 1, 2017 through May 31, 2020 for the motorcycles per the Lease Agreement attached hereto as Exhibit "B" and incorporated herein by reference thereto; and

WHEREAS, entering into a Lease Agreement for the four (4) new 2017 police package motorcycles is in the best interest of the City of Scranton.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City officials are authorized to execute and enter into a Lease Agreement with Horsepower Harley Davidson, Inc., substantially in the form attached hereto for the lease of four (4) new 2017 Harley Davidson police package motorcycles for a period of three (3) years from June 1, 2017 through March 31, 2020, and to execute any and all additional documents necessary to effectuate the terms of this Agreement.

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or

any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intend of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

Lease Agreement

This Agreement made and entered into between **Horsepower Harley Davidson, Inc.**, a Pennsylvania Corporation, 1910 East Third Street, Williamsport, Pennsylvania, ("Lessor") and the **City of Scranton**, a Municipal Authority, 100 South Washington Avenue, Scranton, Pennsylvania 18503 ("Lessee") made this 1st day of June 2017.

WHEREAS, Lessor desires to lease the four (4) Harley Davidson motorcycles to Lessee as described herein; and

NOW THEREFORE, in consideration of the mutual promises and agreements set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Lessor and Lessee with the intention of being legally bound agree as follows:

1. **Lease.** Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor, the four (4) Harley-Davidson motorcycles attached as Exhibit "A" and incorporated herein by reference.
2. **Lease Payment.** Lessee shall pay Lessor Eight Hundred Twenty (\$820.00) Dollars per month from June 1, 2017 to May 31, 2020.
3. **Term.** This Agreement shall continue in full force and effect from June 1, 2017 to May 31, 2020.
4. **Maintenance and Repairs.**
 - (a) Lessee shall keep and maintain the same four (4) Harley Davidson motorcycles in good operating condition and working order, including appropriate preventative maintenance, such that upon return of the four (4) Harley Davidson motorcycles to Lessor upon termination of this Agreement, the four (4) Harley Davidson motorcycles are in the same condition as at the date hereof, normal wear and tear excepted.
 - (b) Factory scheduled maintenance starting at One Thousand (1,000) miles; Two Thousand Five Hundred (2,500) miles and thereafter every Two Thousand Five Hundred (2,500) miles in accordance with the recommended factory maintenance schedule program and by Lessor. Lessee agrees to have all maintenance and repair services completed by Lessor, at Lessee's sole cost and expense. Lessor, at its sole cost and expense shall provide pickup and delivery for maintenance and repair services.
 - (c) Lessee shall not make modifications, alterations or additions to the motorcycles (other than normal operating accessories or controls) without written consent of Lessor, which shall not be unreasonably withheld.

5. Insurance.

- (a) Lessee shall procure liability insurance for the four (4) Harley Davidson motorcycles with not less than \$1,000,000.00 combined single limit coverage for bodily injury and property damage per occurrence and otherwise in form and from an insurer satisfactory to Lessor and shall maintain such insurance during the term of this Agreement. Prior to delivery of the four (4) Harley Davidson motorcycles to Lessee, Lessee shall provide proof of insurance required under this paragraph 5. Lessor shall be named an additional insured on all insurance policies covering the four (4) Harley Davidson motorcycles.
- (b) Lessee's insurance shall be endorsed to provide that insurer will notify Lessor immediately in the event the insurance should be materially altered or cancelled, and if Lessee shall not have obtained replacement insurance as required pursuant to this paragraph 5. Lessor may, but shall not be obligated to, secure necessary insurance protection at Lessee's expense.

6. Taxes, Licensing, Registration.

- (a) Lessee shall pay the costs of any and all required licensing and/or registrations of the four (4) Harley Davidson motorcycles.
- (b) Lessee shall pay any and all taxes or government assessments, fees and charges imposed on or in connection with the four (4) Harley Davidson motorcycles.

7. Return of Motorcycles.

- (a) Lessee shall immediately return the four (4) Harley Davidson motorcycles at the end of the third year of this Agreement in the same condition as at the date hereof, normal wear and tear excepted (the "Return Condition").
Lessee shall pay Lessor to remove the police accessories on the motorcycles.
- (b) In the event that *any or all* of the four (4) Harley Davidson motorcycles are in a condition other than the Return Condition upon the termination of this Agreement, Lessee shall pay the cost to repair (including replacement) *any or all* of the four (4) Harley Davidson motorcycles to a condition equal to the Return Condition.

8. Use of Motorcycles.

- (a) Lessee shall use the four (4) Harley Davidson motorcycles solely for police or police-related uses.
- (b) Lessee shall permit only safe, authorized, licensed and experienced individuals to operate and use the four (4) Harley Davidson motorcycles.
- (c) Lessee shall not permit the four (4) Harley Davidson motorcycles to be used in violation of any federal, state or municipal statute laws, ordinances, rules or regulations or contrary to the provisions of any applicable insurance policy(ies).
- (d) **Mileage Allowance.** Lessor and Lessee agree that the maximum mileage allowance for each leased motorcycle is seven thousand five hundred (7,500) miles per year (ie.(June 1, 2017 to May 31, 2020). In the event that Lessee exceeds the maximum mileage allowance of seven thousand five hundred (7,500) miles per year, Lessee shall pay Lessor one (\$1.00) per mile as an additional lease payment. The additional payment is due upon return of the motorcycle as set forth in paragraph 7.

9. **Indemnification.** Lessee shall defend, indemnify and hold harmless Lessor and the officers, directors and employees of Lessor, from and against any damage, loss, theft, or destruction of any or all of the four (4) Harley Davidson motorcycles, and against all losses, liabilities, damages, injuries, claims, demands, costs and expenses of every kind and nature whether or not covered by insurance, including legal fees and disbursements, arising out of and in connection with the use, condition, or operation of *any or all* of the four (4) Harley Davidson motorcycles during the term of this Agreement. Lessor assumes no liability or responsibility for any acts or omissions of Lessee or of Lessee's agents or employees, or any other person's property damaged.
10. **Default.** If Lessee fails to perform any of the terms, conditions or covenants contained in this Agreement, or in the event of Lessee's bankruptcy or insolvency or if the *any or all* of the four (4) Harley Davidson motorcycles are levied upon or encumbered in any way or, if at any time, in the exclusive judgment of Lessor, its rights in *any or all* of the four (4) Harley Davidson motorcycles in any way shall be prejudiced or rendered insecure, Lessor shall have the right to take immediate possession of the four (4) Harley Davidson motorcycles and to terminate this Agreement. Lessee expressly authorizes Lessor and its agents to enter on any premises where *any or all* of the four (4) Harley Davidson motorcycles may be found for the purpose of repossessing the Harley Davidson motorcycle(s) and Lessee waives any right of action arising out of such entry and repossession.
11. **Notices.** Any notice required or permitted to be given by one party to the other party under this Agreement shall be given in writing and shall be personally delivered or sent by U.S. Certified Mail, return receipt requested, postage prepaid and properly addressed to the following address or at such other address as may have been furnished in writing for such purpose.

If to Lessor: Horsepower Harley Davidson, Inc.
1910 East Third Street
Williamsport, PA 17701

With a copy to: Fred P. Rinaldi, Esq.
Rinaldi & Poveromo, P.C.
P.O. Box 826, 520 Spruce Street
Scranton, PA 18501

If to Lessee: City of Scranton
100 South Washington Avenue
Scranton, PA 18503

12. Miscellaneous.

- (a) **Authorization.** Each of the Parties represents and warrants that they have the right, power, and authority to execute this Agreement, and that they have duly and properly performed all acts required by them to authorize them to carry out this Agreement and the transactions contemplated by this Agreement.

(b) **Informed Action.** Each of the Parties represents that (a) they have been advised by counsel of their own choosing, or have knowingly waived the right to be advised by

independent counsel, regarding the preparation and negotiation of this Agreement and all the matters and claims set forth herein, and (b) each of them has read this Agreement and is fully aware of its content and legal effect.

(c) **Further Assurances.** Each party agrees to (a) execute and deliver, or to cause to be executed and delivered, all such other and further agreements, documents and instruments and (b) take or cause to be taken all such actions as may be necessary or as the other party may reasonably request to effectuate the intent and purposes, and to carry out the terms, of this Agreement.

(d) **Force Majeure.** The duty of the Parties to perform under this Agreement will be relieved for floods, riots, storms, acts of God, and other events beyond the control of the Party required to perform, including actions or events that are prompted or taken by any federal, state or local government, or any federal, state or local governmental officials, authorities, departments, agencies, employees, or representatives, which have the effect of modifying the current regulatory standards governing the Parties performance under this Agreement.

(e) **Assignment.** This Assignor shall remain responsible for all obligations under this Agreement in the event of an assignment, unless the assignment is approved by the other Party.

(f) **Amendment.** This Agreement may not be altered, amended, or modified or otherwise changed, except in writing duly executed by authorized representatives of each of the Parties to it.

(g) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

(h) **Headings.** The headings in this Agreement are for convenience only, and shall be given no effect in the construction or interpretation of this Agreement.

(i) **Severability.** If any one or more of the terms, conditions or provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term, condition or provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable term, condition or provision had never been contained in this Agreement.

(j) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Any one counterpart may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

LESSOR:

Date: _____

Horsepower Harley Davidson, Inc.

By: _____

Kevin Decker

Title: General Manager

LESSEE:

Date: _____

City of Scranton,
a Municipal Authority

By: _____

Print Name: _____

Print Title: _____

CITY OF SCRANTON

ATTEST:

BY: _____
Lori Reed, City Clerk

Date: _____

BY: _____
William L. Courtright, Mayor

Date: _____

BY: _____
Roseann Novembrino, City Controller

Date: _____

APPROVED AS TO FORM:

BY: _____
Jessica L. Boyles, Esq., City Solicitor

Date: _____

Exhibit A

1. 2017 HARLEY-DAVIDSON FLHTP VIN # TBD
2. 2017 HARLEY-DAVIDSON FLHTP VIN # TBD
3. 2017 HARLEY-DAVIDSON FLHTP VIN # TBD
4. 2017 HARLEY-DAVIDSON FLHTP VIN # TBD



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 20, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED

MAR 20 2017

OFFICE OF CITY
COUNCIL/CITY CLERK

Dear Honorable Council Members:

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A
LEASE AGREEMENT WITH HORSEPOWER HARLEY DAVIDSON, INC. FOR
THE LEASE OF FOUR (4) NEW 2017 POLICE PACKAGE MOTORCYCLES FOR
THE CITY OF SCRANTON POLICE DEPARTMENT FOR A PERIOD OF THREE
(3) YEARS FROM JUNE 1, 2017 THROUGH MARCH 31, 2020.

Respectfully,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl

RESOLUTION NO. _____

2017

AUTHORIZING THE MAYOR AND OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A CONTRACT WITH PMA MANAGEMENT CORP. FOR CITY OF SCRANTON SELF-INSURED WORKERS' COMPENSATION AND HEART AND LUNG CLAIMS THIRD PARTY ADMINISTRATION FOR A PERIOD OF THREE (3) YEARS FROM APRIL 1, 2017 THROUGH MARCH 31, 2020.

WHEREAS, a Request for Qualifications was advertised for the City of Scranton Self-Insured Workers' Compensation and Heart and Lung Claims Third Party Administration, and three (3) Requests for Qualifications were submitted for review; and

WHEREAS, after review of the proposals submitted it was determined that it would be in the best interest of the City to award the Contract to PMA Management Corp. for the reasons provided in the Memo attached hereto from the Workers' Compensation Coordinator, as well as the email from Robert Knowles, owner of Knowles Associates.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SCRANTON that the Mayor and other appropriate City Officials are authorized to execute and enter into a Contract, substantially in the form attached hereto marked as Exhibit "A" and incorporated herein by reference thereto with PMA Management Corp. to provide the City of Scranton Self-Insured Workers' Compensation and Heart and Lung Claims Third Party Administration for a period of three (3) years from April 1, 2017 through March 31, 2020..

SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause provision or portion of this Resolution so long as it remains legally enforceable minus the invalid portion. The City reserves the right to amend this Resolution or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Resolution and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Scranton under the authority of the Act of Legislature, April 13, 1972, Act No. 62, known as the "Home Rule Charter and Optional Plans Law", and any other applicable law arising under the laws of the State of Pennsylvania.

CONTRACT

This contract entered into this ____ day of _____ 2017 effective from
April 1, 2017 to March 31, 2020 by and between the City of Scranton, 340 North
Washington Avenue, Scranton, PA 18503, hereinafter called "Scranton" and

PMA MANAGEMENT CORP
380 SENTRY PARKWAY
BLUE BELL, PA. 19422
PHONE NO. (717) 730-8120

hereinafter called "Contractor".

WITNESSETH:

WHEREAS, Scranton desires the Contractor to perform certain work and services in
accordance with the terms and conditions hereinafter set forth and the Contractor is ready,
willing and able to perform such work and services.

NOW THEREFORE, in consideration of the promises contained herein and the promises
each to the other made, the parties do agree and intend to be legally bound as follows:

ARTICLE I - CATEGORY OF WORK AND SERVICES

The work and services to be performed by Contractor shall be in the general fields of
providing City of Scranton Self-Insured Workers' Compensation and Heart and Lung Claims
Third Party Administration. The Contractor hereby covenants, contracts and agrees to furnish
Scranton with:

CITY OF SCRANTON
SELF-INSURED WORKERS COMPENSATION AND
HEART AND LUNG CLAIMS THIRD PARTY ADMINISTRATION
PER THE ATTACHED BID PROPOSAL AND SPECIFICATIONS
FROM APRIL 1, 2017 THROUGH MARCH 31, 2020
FOR A FLAT ANNUAL FEE OF \$71,500.00

Said services to be furnished and delivered in strict and entire conformity with Scranton's
Specifications marked as Exhibit "A" attached hereto and incorporated herein by reference
thereto and the Bid Proposal submitted by PMA Management Corp. dated January 1, 2017
attached hereto marked as Exhibit "B" and incorporated herein by reference thereto. Said Bid
Proposal and Specifications are hereby made part of this Agreement as fully and with the same
effect as if set forth at length herein.

ARTICLE II - GENERAL

(1) In the performance of the work and services hereunder, the Contractor shall act solely
as an independent contractor, and nothing contained or implied shall at any time be so construed
as to create the relationship of employer and employee, partnership, principal/agent, or joint
adventurer as between Scranton and the Contractor.

(2) Failure of either party to enforce any of its rights hereunder shall not constitute a
waiver of such rights, or of any other rights hereunder.

ARTICLE III - FEES

Said services to be furnished and delivered in strict and entire conformity with the Bid Proposal and Specifications attached hereto. Said Bid Proposal and Specifications are incorporated herein by reference as though set forth at length.

Scranton agrees to pay the Contractor for furnishing the above services if said services are provided in full compliance with the terms and conditions of this Contract to the satisfaction and approval of the Business Administrator. Such approval shall not be unreasonably withheld. The terms and conditions of this contract are set forth herein and may be supplemented by any attachments or exhibits incorporated herein by reference.

ARTICLE IV - INDEMNIFICATION

The Contractor shall indemnify, defend, and hold harmless Scranton from and against any and all claims and actions, based upon or arising out of damage to property or injuries to person or other acts caused or contributed to by Contractor or anyone acting under the Contractor's direction or control or on the Contractor's behalf in the course of the Contractor's performance under this contract.

ARTICLE V - INSURANCE

- (1) Contractor represents that it now carries, and agrees it will continue during the term of this Contract to carry, at a minimum: Workers' Compensation, Comprehensive General and Contractual Liability and Professional Liability Insurance in the following amounts:

<u>TYPE OF INSURANCE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Employer's Liability	\$ 1,000,000.00
Professional Liability	\$10,000,000.00
Comprehensive General Liability (including Blanket Contractual Liability Insurance)	\$1,000,000.00 each occurrence \$2,000,000.00 aggregate \$2,000,000.00 products/completed operations aggregate \$1,000,000.00 personal/advertising injury
Comprehensive Automobile Liability:	
Combined Single Limit for Bodily Injury and Property Damage	\$1,000,000.00

- (2) Certificates of all insurance provided by the Contractor shall be available for Scranton's review and will be furnished to Scranton if requested. Such copies of certificates shall include the following:

- (a) Name of insurance company, policy number and expiration data;
- (b) The coverage required and the limits on each, including the amount of deductibles or self-insured retentions (which shall be for the account of the Contractor);
- (c) A statement indicating Scranton shall receive thirty (30) days notice of cancellation or significant modification of any of the policies which may affect Scranton interest;
- (d) A statement confirming Scranton has been named an additional insured (except for Worker's Compensation) on all policies; and

- (c) A statement confirming that Scranton, its agents and employees have been provided a waiver of any rights or subrogation, which the Contractor may have against them.

ARTICLE VI: TERMINATION OF CONTRACT

If through any cause the CONTRACTOR shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or in the event of violation of any of the covenants contained herein, or in the event of violation of the laws applicable to implementation of the project contemplated by this Agreement, or in the event of misuse of funds, mismanagement, criminal activity or malfeasance in the implementation of this Agreement Scranton shall thereupon have the right to terminate this Agreement by giving written notice to the CONTRACTOR specifying the effective date of termination. Said notice shall be given in writing to the CONTRACTOR and will be effective upon receipt by the CONTRACTOR. In such an event all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this Agreement shall be returned to the Scranton.

ARTICLE VII: DEFAULT

In the event of a default by Contractor under this Agreement, the defaulting party then shall reimburse the non defaulting party for all costs and expenses incurred by the non defaulting party in connection with the default, including without limitation, court costs and attorneys fees at the trial level and on appeal.

ARTICLE VIII: JURISDICTION

This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania and all obligations hereunder are to be performed in Lackawanna County, Pennsylvania. Jurisdiction over the subject matter and performance of this Agreement is therefore vested in the Lackawanna County Court of Common Pleas.

ARTICLE IX - ENTIRE AGREEMENT

This contract constitutes the entire agreement between Scranton and Contractor. It supersedes all prior contemporaneous communications, representations or agreements whether oral or written with respect to the subject matter thereof and if it has been induced by no representations, statements or agreements other than those expressed. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an unauthorized officer of the party sought to be bound thereby.

IT IS FURTHER UNDERSTOOD AND AGREED that this contract is entered into under and subject to the provisions of the Act of Assembly of the Commonwealth of Pennsylvania, approved March 7, 1901, its supplements and amendments, and the liability of the City of Scranton herein limited to the amount appropriated for the same and subject to the Section 6-13 of the Administrative Code of the City of Scranton which limits payments of money out of the City Treasury to appropriations made by the Council

IN WITNESS WHEREOF the parties hereto have, in due form of law, caused this agreement to be executed the day and year first above written.

ATTEST:

CITY CLERK

BY: _____
MAYOR

DATE: _____

DATE: _____

COUNTERSIGNED:

CITY CONTROLLER

DIRECTOR OF HUMAN RESOURCES

DATE: _____

DATE: _____

APPROVED AS TO FORM:

CITY SOLICITOR

DATE: _____

PMA MANAGEMENT CORP.

BY:

TITLE: _____

DATE: _____



DEPARTMENT OF HUMAN RESOURCES

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4246 • FAX: 570-348-4202

TO: William Courtright, Mayor
David Bulzoni, Business Administrator
Jessica Boyles, City Solicitor
Danielle Kennedy, HR Director

FROM: Jack Judge, Workman's Compensation Coordinator

Date: March 17, 2017

RE: RFQ Third Party Administration

On February 13, 2017 the City of Scranton received three qualifications for the selection of our Worker's Compensation Third Party Administrator (TPA). The Request for Qualification (RFQ) sought to provide services related to the administration of the City of Scranton's Worker's Compensation claims. All three qualifications met our RFQ requirements and were received on time. The existing contract with PMA Companies expires on March 31, 2017.

The listing of respondents included:

1. Inservco
2. PMA Companies
3. AmeriHealth Casualty Services

The review criteria are based on four distinct components:

1. Annual cost, including all fees associated with the provided services
2. The experience and professional level of the relationship team
3. Technological capabilities (i.e. web based claims & reporting)
4. Knowledge of the Heart and Lung Act

INSERVCO

Inservco came in at \$39,000 per year. (2017 – 2019) The charge is \$1.25 per medical bill. It appears there may be additional charges if we exceed 120% of reported open claims. Three adjusters would be assigned to the account and the City would find this to be efficient. The qualification includes different vendors who Inservco has previously worked with. This is an irrelevant point as the City of Scranton already has approved vendors with whom we work with.

No time period for the important process of data conversion was given. In addition, Inservco's qualification did not include a transition plan which would not serve the City well.

PMA COMPANIES

PMA Companies is the current administrator for the City of Scranton and comes in at \$71,500 per year. (2017 – 2019). The charge is \$7.00 per medical bill. There are no hidden costs to the City. PMA has experienced adjustors who have established positive relationships with City personnel. Key elements of PMA's previous work with the City include medical bill savings of 62% for billable items in 2015 and savings of 59% for billable items in 2016. The average payout for closed claims was \$37,228 and \$31,940 for 2015 and 2016, respectively.

AMERIHEALTH CASUALTY SERVICES

AmeriHealth comes in at \$60,000 for 2017, \$61,500 for 2018 and \$63,000 for 2019. This fee includes data conversion, management of prior year claims, web based claims access and full reports. The charge is \$7 per medical bill in addition to a 10% recoupment of subrogation received. The transition period encompasses six weeks before AmeriHealth would be fully capable of handling our existing claims. Two adjustors would be assigned to the account and the City would find this to be inefficient. The City prefers at least two adjustors and one support staff. We do not require our TPA to handle subrogation claims as we already handle this in house.

Based on an evaluation of the four review criteria, the Worker's Compensation Coordinator recommends the selection of PMA Companies as administrator of the City of Scranton's Worker's Compensation Claims. While the quality of all RFQs received by the City of Scranton are recognized as noteworthy, that submitted by PMA Companies exceeds each of the review criteria noted in the request for qualification.

- **The annual cost is competitive. While not the lowest cost, the determinant should not be bottom line cost but value associated with each dollar spent for the required service. PMA Companies' qualification provides a high value for the level of service cost.**
- **The experience level not only of the team assigned to the City but the familiarity with the Heart and Lung Act is unsurpassed.**
- **References attest to the high quality level of the service.**

Jessica Boyles

From: Robert Knowles <RKnowles@knowlesins.com>
Sent: Thursday, March 16, 2017 10:19 AM
To: David Bulzoni; Jessica Boyles
Subject: PMA-TPA

Dave/Jessica,

I know this contract is being bid by the City. I want you to know that PMA is well known for their excellent work. During my tenure in working with the City, there have been times when lower bids were received for the TPA contract. While the City may have saved money on the TPA agreement, it cost them greatly in terms of claims cost.

In the public sector it is often frowned upon when the low bid is not accepted. Unfortunately in this case your real costs are the claims. The TPA contract is insignificant in relation to the dollars expended on claims especially when not properly managed.

I share this perspective with you because over the past fourteen years in working with the City the greatest challenge has been workers compensation. This has only been further exacerbated when the claims were not properly handled. Recently, with the addition of Jack Judge, I see real progress being made. I think the City has taken great strides to correct some of the historical problems that escalated your workers compensation cost. You are on the right track and I think future expenditures will decline as a result of strong claims management provided by PMA and Jack Judge's knowledge and experience.

Please understand that I am expressing my opinion and I have no financial benefit in your decision. The City however will benefit in lower premiums for their excess insurance if the loss experience continues to improve. Therein lies the importance of the TPA.

Please let me know if you have any questions.

Bob



Readers' Choice Winner
NEPA's Best Insurance Agency

Robert J. Knowles, Jr.
Knowles Associates
316 Penn Avenue
Scranton, PA 18503

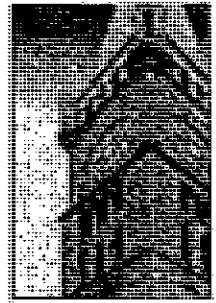
Ph# (570) 342-3214
Fax# (570) 342-3125

Visit our website at www.knowlesins.com and "like" us on Facebook

"We Love Referrals and would appreciate the opportunity to hear from someone you know."

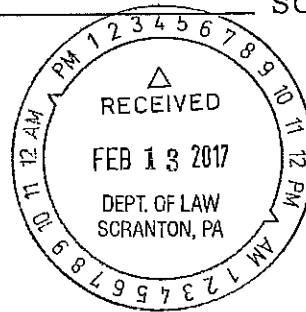
Department of Business Administration

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON

February 13, 2017



Mrs. Danielle Kennedy
Director of Human Resources
Municipal Building
Scranton, Pa. 18503

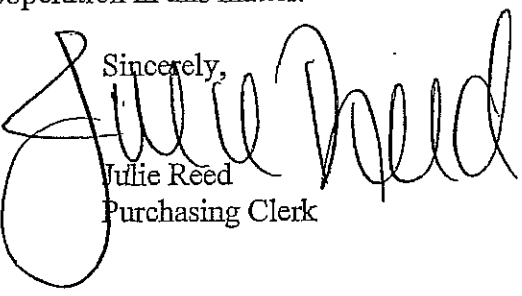
Dear Mrs. Kennedy,

This is to inform you the R.F.P. Proposals were opened Monday, February 13, 2017 in Council Chambers for the City of Scranton Third Party Administration Self-Insured Workers' Compensation and Heart & Lung Claims Third Party Administration. Attached is the copy of the proposal submitted by the following companies:

Inservco
PMA
Amerihealth Casualty

After your review of the proposals, please inform the Law Office of your decision so they may call for a contract or reject said bid.

Thank you for your cooperation in this matter.

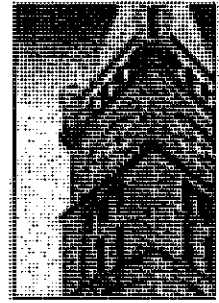
Sincerely,

Julie Reed
Purchasing Clerk

Encls.

CC: Mrs. Roseann Novembrino, City Controller
Mr. David Bulzoni, Business Administrator
Mrs. Lori Reed, City Clerk
Mr. Jason Shrive, City Solicitor
File

Department of Business Administration

City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503
Tel: (570) 348-4118
Fax: (570) 348-4225



SCRANTON

January 9, 2017

Miss Jessica Boyles
Human Resource Director
City of Scranton
Municipal Building
Scranton Pa, 18503

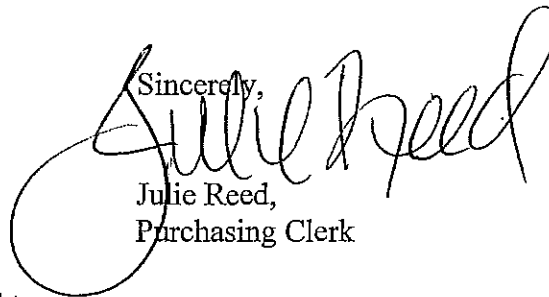
Dear Miss Boyles,

This is to inform you that proposals will be opened in Council Chambers on Monday, February 13, 2017 at 10:00 A.M. for the following:

**City of Scranton
Third Party Administration
Self-Insured Workers' Compensation and
Heart and Lung Claims Third Party Administration**

Attached, please find an Invitation to Bidders, and Specifications.
Thank you for your cooperation in this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Julie Reed".

Julie Reed,
Purchasing Clerk

CC: Mayor William Courtright
Mrs. Roseann Novembrino, City Controller
Mr. David Bulzoni, Business Administrator
Mrs. Rebecca McMullen, Financial Manager
Mrs. Lori Reed, City Clerk
Mr. Jason Shrive, City Solicitor
File

REQUEST FOR QUALIFICATIONS

Separate sealed proposals will be received by the City Controller at her office in City Hall, 340 North Washington Avenue, 2nd Floor, Scranton, PA. 18503 until 10:00 a.m. Monday, February 13, 2017, at which time they will be read aloud in City Council Chambers, for the following:

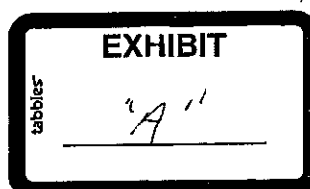
**CITY OF SCRANTON
THIRD-PARTY ADMINISTRATION
SELF-INSURED WORKERS' COMPENSATION AND HEART AND LUNG CLAIMS
THIRD-PARTY ADMINISTRATION**

All proposals are to be in accordance with the RFQ specifications which are now available and can be picked up at the office of the Bureau of Purchasing, 4th Floor, City Hall, 340 North Washington Avenue, Scranton, PA 18503.

Sealed envelopes containing RFQ's shall be plainly marked on the outside with "City of Scranton Workers' Compensation TPA" and shall be delivered or mailed to the City Controller at the address first listed above, so as to arrive by the date and time specified above.

Any questions please call Jessica Boyles, Esquire, Director of Human Resources/Assistant Business Administrator at 570-348-4232.

Jessica Boyles, Esquire
Director of Human Resources/Assistant
Business Administrator





DEPARTMENT OF HUMAN RESOURCES

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE 570-348-4246 • FAX: 570-348-4202

CITY OF SCRANTON

REQUEST FOR QUALIFICATIONS

SELF-INSURED WORKERS' COMPENSATION AND HEART AND LUNG CLAIMS THIRD-PARTY ADMINISTRATION

Introduction

In order to provide the City of Scranton with the most effective, Self-Insured Workers' Compensation Program, the City of Scranton will be soliciting bids for the Third-Party Administrative Services to handle the daily management of their Self-Insured Workers' Compensation and Heart & Lung (Public Law 477) Claims.

Contact Information

For questions, please contact:

Jessica Boyles, Esquire
City of Scranton
Human Resources Director/Assistant Business Administrator
340 N. Washington Avenue
Scranton, PA 18504
jboyles@scrantonpa.gov

Questions and Addenda

Any questions regarding this RFQ shall be directed to Jessica Boyles, Esquire, Director of Human Resources/Assistant Business Administrator, at 570-348-4232. If at any time this RFQ needs to be revised, an amendment will be issued to all responders.

Submission of Qualifications

All qualifications must be either hand delivered or mailed to City Controller, City Hall, 340 North Washington Avenue, 2nd Floor, Scranton, PA 18503. Qualifications will not be accepted by email or facsimile transmission. The City of Scranton will require six (6) copies of the qualifications, which shall be placed in a sealed envelope marked "City of Scranton Workers' Compensation TPA." Qualifications will be received until February 13, 2017 at 10:00 a.m. Any qualifications received after the above-mentioned time and date will not be accepted. Any qualifications not addressed properly will not be accepted.

The City of Scranton assumes no responsibility for delays in any form of carrier, mail or delivery service causing the submission to be received after the above-referenced due date and time.

Criteria for Evaluation of Qualifications

The City will independently evaluate each submission and selection will be made upon the following criteria:

1. Experience and reputation in the field;
2. Knowledge of the subject matter of the services to be provided to the City;
3. Knowledge of the City, its affairs, and operations;
4. Availability to accommodate any required meetings of the City;
5. Other factors determined to be in the best interest of the City.

The final selection shall be made in the sole discretion of the City.

Contract Term

The City of Scranton is requesting a three (3) year arrangement with one flat annual fee to handle all Workers' Compensation and Heart and Lung Claims. This includes record only, medical and indemnity claims. Please include all charges to the City of Scranton including:

- Flat Annual Fee
- Cost Containment Fee
- Section 111 Reporting Fee
- Medical Bill Re-Pricing
- System Usage and Access
- Any other Fees

Pricing should outline costs in detail for each contract year 2017, 2018 and 2019. The City reserves the right to cancel the agreement at the end of each year by providing 60 day notice.

Qualifications

1. Provide a brief history of your company.
2. List the experience and qualifications of key personnel who will be assigned work under this contract, including resumes of the account management team and their job responsibilities. The City requests each claim adjuster have a minimum of three (3) to five (5) years of experience in the field Worker's Compensation and Heart and Lung investigations. Please attach resumes for all claim adjusters that would be assigned to the City of Scranton.
3. Provide a list of several clients, with the point of contact, their address and phone number. These should be clients of similar size, claim frequency and exposures as the City of Scranton.
4. Provide in detail, your experience dealing with governmental entities and Self-Insurance programs.

5. Provide in detail, your experience handling claims by injured employees covered under the Heart and Lung Act.
6. Please describe your Firm's:
 - Process for assigning claims to adjusters and supervisors;
 - Claimant notification and contract standards;
 - Reserving practices and philosophy;
 - Efforts to enforce the Ninety (90) Day Panel Requirement;
 - Medical Bill Review Procedures;
 - Preferred Provider Networks (please include Lackawanna Specific Medical Providers in your network);
 - Case management philosophy;
 - Assignment of nurse case managers;
 - Procedures to conduct independent medical exams;
 - Procedures regarding modified or light duty/return to work programs.
7. Disclose the maximum pending caseload for each adjuster proposed to work on this account, including information on what will occur if the maximum caseload per adjuster is reached or exceeded.
8. Provide a detailed implementation plan that outlines how you will phase in the delivery of services:
 - Timeline of how your firm will take over all existing claim files
 - Training of City of Scranton Staff on reporting claims
 - Meeting with personnel directly responsible for City of Scranton program
9. Selected vendor will agree to allow the City input on the selection of Third-Party Vendors.
10. Provide a detailed description of your claim management system.
11. Confirm the ability and willingness to act as the City's agent in ensuring compliance with Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) including the completion of and reporting of all necessary claims, files and reports.
12. Demonstrate Statement on Auditing Standards (SAS) 70.

Scope of Services

The following is a general scope of what is required to manage a cost effective Workers' Compensation Program. There may be services your vendor may provide not listed, please outline those in detail as well.

1. Act as administrator of the City of Scranton's Workers' Compensation Program, pay claims and expenses on the City of Scranton's behalf and provide monthly financial reports.
2. Establish records of all claims, including those resulting in no payment ("Record Only"), medical only and compensable, including allocated loss adjustment expenses (ALAE).
3. Complete any regulatory reporting forms, or other documents required by governing authorities.
4. Establish claimant contact in a timely fashion, and make necessary medical and loss time payments to claimants and medical providers.

5. Employ third party vendors and special investigators when necessary. The City of Scranton reserves the right to select those vendors.
6. Attempt to achieve the return to work of injured employees, and render advice to the City regarding the return to work and light duty options that could be utilized.
7. Establish appropriate reserves and maintain records of all payments for medical indemnity, and expenses for each Worker's Compensation claims.
8. Meet with City of Scranton personnel at least once per quarter to review the status of the claims administration process and other matters pertinent to the services being performed.
9. Conduct an annual stewardship meeting reviewing the services performed the previous year, the status of open claims, loss payment history and trends, and incurred loss experience and trends, with recommendations for the upcoming year.
10. Report claims to the excess insurer in accordance with the requirements of the policy.
11. Provide claim status reports as requested by the City.

Attached as Exhibit "A" please find a copy of the evaluation performed by Gary R. Abramson, ACAS, MAAA, which provides a reserve analysis and loss forecast of the City's Self Insured program, along with claims data.

Qualifications

All qualifications submitted to the City of Scranton shall include the following:

1. A certificate of insurance of the prospective bidder's insurance coverage. The City requires the successful bidder to carry Professional Liability insurance at a minimum of \$2000.00 occurrence/aggregate. All insurance coverages must be kept in effect during the contract period. The loss of insurance coverages could result in voiding of the contract.
2. A statement of assurance that the prospective bidder is not currently in violation of any regulatory rules and regulations that may have any impact on its operations.
3. A statement that the prospective bidder is not involved in any current litigation with the City.

Insurance

Qualifications must include a statement of the prospective bidder's insurance coverage. Proposer shall procure and maintain, at its own cost and expense, insurance with companies that have an A.M. Best's Rating of not less than A- and acceptable to City of Scranton, with coverage limits of not less than stipulated below. The City of Scranton, the Commonwealth of Pennsylvania, and their respective officers, employees, directors, boards, Commissions and agents, shall be included as Additional Insureds on the General Liability, Automobile Liability and Excess/Umbrella Liability Insurance policies. An endorsement is required stating that Proposer's policies will be primary to any other coverage available to the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents. Any insurance maintained by the City of Scranton will be excess and non-contributory. Furthermore, no act or omission of the City of Scranton and/or the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall invalidate the coverage. All

insurance coverage must be kept in effect during the Contract Period. Loss of insurance coverages could result in the voiding/termination of the Contract.

- Worker's Compensation and Employers Liability. Worker's Compensation Insurance as required by statute. Employers Liability coverage to be carried with limits of not less than \$1,000,000.00/per accident, \$1,000,000.00/disease (policy limit), \$1,000,000.00/disease (each employee).
- Commercial General Liability. Commercial General Liability Insurance is required with limits of not less than \$1,000,000.00 Each Occurrence; \$2,000,000.00 General Aggregate; \$2,000,000.00 Products/Completed Operations Aggregate and \$1,000,000.00 Personal/Advertising Injury. The policy shall also cover liability arising from Blanket Contractual, Broad Form Property Damage, liability assumed under an insured contract (including tort liability of another assumed in a business contract), and Personal Injury (including coverage for discrimination, defamation, harassment, malicious prosecution, slander, and mental anguish). Products and Completed Operations must be included. ISO Endorsement CG 21 39 10 93 (Contractual Liability Limitation) shall not apply to this contract. Such policy must contain a "Severability of Interests" clause. This insurance shall be excess over any other insurance, whether primary, excess, contingent, or on any other basis, that is available to the contractor or its subcontractor covering liability for damages because of Bodily Injury or Property Damage for which the contractor has been included as an Additional Insured. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
- Automobile Liability. Business Automobile Liability covering all owned, non-owned, and hired autos in required with limits of not less than \$1,000,000.00 Combined Single Limit for Bodily Injury and Property Damage. Such policy must contain a "Severability of Interests" clause. The City of Scranton, and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions, and agents, shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
- Excess/Umbrella Liability. Proposer shall provide evidence of Excess/Umbrella Liability Insurance with limits of not less than \$5,000,000.00 in Any One Claim or Occurrence. Coverage shall include, but not be limited to, coverage provided by any underlying insurance. Underlying insurance shall include all liability coverage required by this contract except Professional Liability/Errors or Omissions coverage as outlined below. The City of Scranton and the Commonwealth of Pennsylvania and their respective officers, employees, directors, boards, commissions and agents shall be included as Additional Insureds. A copy of the actual Additional Insured Endorsement or policy wording is required.
- Professional Liability/Errors & Omissions Coverage. Evidence of Professional Liability/Errors & Omissions coverage, including Privacy Liability, must be provided,

- with limits of not less than \$10,000,000.00, with a deductible not to exceed \$10,000.00. Errors & Omissions coverage shall be applicable to any occurrence arising out of the performance of services required under the Professional Services Contract and shall cover liability arising from information technology services including, but not limited to, intellectual property infringement, privacy infringement, and, if applicable, software development services and computer or electronic information technology services. Coverage under an occurrence form shall be maintained in full force and effect under the policy during the contract period. Under a claims made form, continuous coverage is required. Should an Extended Discovery Period or "tail" coverage be required in the event coverage is terminated, such coverage must be maintained for a period of not less than three (3) years.
- Fidelity/Blanket Crime Insurance. Evidence of Fidelity/Blanket Crime Insurance with an Employee Dishonesty limit of not less than \$5,000,000.00 shall be submitted to the City of Scranton prior to the commencement of services. Proposer must maintain Third Party (includes money, securities, client's property, and other properties) coverage under the Crime policy. The City of Scranton shall be included as a co-loss payee. A copy of the actual Loss Payee Endorsement is required.

Additional Provisions

A certificate of insurance evidencing all of the above coverages shall be filed with the City of Scranton prior to the commencement of work. It shall be the responsibility of the successful Proposer to ensure that all subcontractors carry insurance of not less than coverage and limits specified herein. Proper evidence of this compliance must be forwarded to the City of Scranton prior to the inception of any work by subcontractor.

Renewal certificates and policies, as required, shall be forwarded to the City of Scranton for as long as professional contractor performs the work as specified in this contract. All certificates and policies shall contain a provision that coverage afforded will not be cancelled or materially altered until at least thirty (30) days prior written notice has been given to the City of Scranton.

Qualifications must include a statement of assurance that the prospective bidder is not currently in violation of any regulatory rules and regulations that may have any impact on its operations, as well as a statement that the prospective bidder is not involved in any current litigation with the City of Scranton.

Qualifications must include a copy of any and all contractual language, including any and all governing terms of the agreement.

Indemnification

The Proposer will be required in the contract to "protect, defend, indemnify and hold harmless the City of Scranton, and the Commonwealth of Pennsylvania, and their respective officers, directors, boards, commissions, commissioners, agents, contractors, employees, and/or their invitees from and against all claims, demands, loss, fines, penalties, and causes

of action, damages, or liability (i) for bodily injury, including death, and for damage to property, including the property of any of them, incurred by reason of any willful or negligent act of commission or omission of successful Proposer, its agents or employees, arising out of or taking place in the courts of the performance of this contract; (ii) or results from or arises out of the violation of any third party's trade secrets, trademarks, copyright, patent rights, or other proprietary rights in connection with a breach of any warranty set forth in the contract." The indemnification shall include the fees and expenses of attorneys and experts, etc. The Successful Proposer's indemnification expressly includes any claims for personal injuries or death made by or on behalf of Proposer's employees against the City of Scranton, the Commonwealth of Pennsylvania and each of their respective employees, officers, directors, commissions, commissioners, agents, contractors, employees, and/or invitees.

The City of Scranton does not indemnify.

Certificate of Non-Indebtedness

The Proposer will be required to certify and represent that Proposer and Proposer's parent company(ies) and subsidiary(ies) are not indebted (at the time of signing of the contract) to the Commonwealth of Pennsylvania, or the City of Scranton, and will not at any time during the term of the contract (including any extensions or renewals thereof) be indebted to the City, for or on account of any delinquent taxes (including, but not limited to, taxes collected by the City on behalf of the School District), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City of Scranton at law or in equity, Proposer acknowledges that upon any breach or failure to conform to such certification the City of Scranton shall have the right to, and may, at the option of the City of Scranton, withhold payments otherwise due to Proposer, and, if such breach or failure is not resolved to the City of Scranton's satisfaction within a reasonable time frame as specified by the City of Scranton in writing, this will offset any such indebtedness against said payments and/or terminate this Agreement for default (in which case Proposer shall be liable for all excess costs and other damages including reasonable attorney's fees resulting from the termination).

Non-Discrimination

Proposer shall not discriminate or permit discrimination against any person because of race, color, religion, national origin, sex, or sexual orientation. In the event of such discrimination, the City of Scranton may, in addition to any other rights or remedies available under the contract, at law or in equity, terminate any contract with Proposer forthwith.

Proposer shall comply with the provisions of Title VII of the Civil Rights Act of 1964 (42 U.S.C. §200d et seq.), §504 of the Federal Rehabilitation Act of 1973 (29 U.S.C. §794), The Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. §1681), and 45 C.F.R. Part 92, as they may be amended from time to time, which together prohibit discrimination on the basis of race, color, national origin, sex, handicap, age, and religion.

Proposer understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in any contract of Proposer with the City of Scranton or from activities or services provided under such contract. As a condition of accepting and executing such contract, Proposer shall comply with all provisions of the Americans with Disabilities Act, 42 U.S.C. §12101 et seq., and all regulations promulgated thereunder, as the Act and regulations may be amended from time to time, which are applicable (a) to Proposer, (b) to the benefits, services, activities, facilities, and programs provided in connection with this Agreement, (c) to the City of Scranton, or the Commonwealth of Pennsylvania, and (d) to the benefits, services, activities, facilities, and programs of the City of Scranton or of the Commonwealth.

Without limiting the generality of the preceding sentence, Proposer shall comply with the "General Prohibitions Against Discrimination," 28 C.F.R. §35.130, and all other regulations promulgated under Title II of "The Americans with Disabilities Act," as they may be amended from time to time, which are applicable to the benefits, services, programs, and activities provided by the City of Scranton through contracts with outsider contractors.

Governing Laws

Any contract entered into by the City of Scranton will be executed in and shall be governed by the laws of the Commonwealth of Pennsylvania.

Certain Required Disclosures

In accordance with the Commonwealth of Pennsylvania's contract reform legislation, persons and entities who wish to provide goods and services to the City of Scranton must provide certain information about contributions they have made to elected City officials or candidates for City offices. All Proposers must, therefore, complete Attachment E and include such completed Attachment with their qualifications. Please note that the selected Proposer will be required to update such disclosure during the term of its agreement with the City of Scranton and for one (1) year thereafter.

Attachment A: Reserve Analysis and Loss Forecast with Claims Data

Please see attached.

Attachment B. Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

- (1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.
- (2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
- (3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.
- (4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it, such a factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.
- (6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's

noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

- (7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.
- (8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment C. Certificate of Non-Segregated Facilities

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: _____

(Name of Bidder)

BY _____

TITLE _____

Attachment D. Non-Collusion Affidavit of Prime Bidder

STATE OF _____

COUNTY OF _____

_____, being
first duly sworn, deposes and says that:

1. He is _____
(Owner, partner, officer, representative or agent)

of _____, the Bidder that has
submitted the bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

City of Scranton
Request for Proposal
Workers' Compensation and Heart and Lung Claims Third Party Administrator

Non-Collusion Affidavit
Signature Page

Signed _____

(TITLE)

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____
_____, 20 _____

(TITLE)

MY COMMISSION EXPIRES _____
_____, 20 _____

Attachment E. Disclosures by Current Contractors

1. Provide the names and titles of all individuals providing professional services to the City of Scranton Workers' Compensation and Heart and Lung program identified above including advisors and subcontractors, if any. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton Workers' Compensation and Heart and Lung Program.
 - List the names of any of the above individuals who are current or former officials or employees of the City of Scranton and their position;
 - List the names of any of the above individuals who has been a registered federal or state lobbyist and the date of the most recent renewal/registration.
2. Since January 1, 2011, have any of the individuals identified in paragraph two above been employed by the City of Scranton. If yes, please identify the individual by his/her name and position with the City of Scranton and dates of employment.
3. Since January 1, 2011, has the Contractor employed paid compensation to a third party intermediary, agent, or lobbyist to directly or indirectly communicate with any individual on the list of municipal officials in connection with any transaction or investment involving the Contractor and the Workers' Compensation and Heart and Lung Program. This question does not apply to any officer or employee of the Contractor who is acting within the scope of the Contractor's standard professional duties on behalf of the Contractor including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services or assistance pursuant to its professional services contract with the Workers' Compensation and Heart and Lung Program.
4. Since January 1, 2011 has any agent, officer, director, or employee of the Contractor solicited a third party to make a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made. If yes, please identify the agent, officer, director, or employee who made the solicitation; the individual or individuals who were solicited, and the municipal officers, candidates, political party, or political committee for whom the solicitation was made.
5. Since January 1, 2011, has the contractor made any Contribution to a municipal official or candidate for municipal office in the City of Scranton. If yes, please identify the recipient, the amount, and the date of the contribution.
6. Does the Contractor have a direct financial, commercial, or business relationships with any individual on the List of Municipal Officials. With regard to every municipal official for which the answer is yes, identify that individual and provide a detailed written description of that relationship.
7. Since January 1, 2011, has the Contractor conferred any gift of more than nominal value to any individual on the List of Municipal Officials. A gift includes money, services, loans, travel, and

entertainment, at value or discounted value. With regard to every municipal official for which the answer is yes, identify the recipient, the gift, and the date it was conferred.

8. Did the Contractor make political contributions the meet all of the following four criteria: (i) The contribution was made at any time since January 1, 2011; (ii) the contribution was made by an officer, director, executive-level employee, or owner of at least five percent (5%) of the Contractor; (iii) the amount of the contribution was at least \$500.00 in the form of either a single contribution by an officer, director, executive-level employee or owner of at least five percent (5%) or the aggregate of all contributions by all officers, directors, executive-level employees, and owners of at least five percent (5%) and (iv) the contribution was made to a candidate for any public office in the Commonwealth of Pennsylvania or to an individual who holds that office, or to a political committee of a candidate for public office in the Commonwealth of Pennsylvania or of an individual who holds that office. If yes, then the Contractor shall provide the following information: the name and address of the contributor, the contributor's relationship to the Contractor, the name and office or position of each recipient, the amount of the contribution, and the date of the contribution.
9. Regarding the provision of professional services to the City of Scranton Workers' Compensation and Heart and Lung Program, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the Contractor and officials or employees of the City of Scranton. If yes, please provide a detailed written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.
10. Please provide the name(s) and person(s) completing this form. One of the individuals identified by the Contractor in paragraph two must participate in completing this form and must sign the verification statement below.

VERIFICATION

I, _____, hereby state that I am _____
for _____, and am authorized to make this verification.

I verify that the facts set forth in the foregoing Act 44 Disclosure Form for entities providing professional services to the City of Scranton are true and correct to the best of my knowledge, information, and belief. I understand that false statements herein are made subject to penalties of 18 P.A.C.S section 4904 relating to unsworn falsification to authorities.

Signed: _____ Date: _____

GRA Consulting

September 25, 2016

Mr. David Bulzoni
Business Administrator
City of Scranton
Department of Business Administration
City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503

Re: The City's Self-Insured Workers' Compensation Program
Reserve Analysis and Loss Forecast, Self-Insurance Renewal Application

Dear Mr. Bulzoni:

Gary R. Abramson, Casualty Actuarial Services ("GRA Consulting") has been retained by The City of Scranton to evaluate outstanding losses for the City's workers' compensation self-insurance program as of August 31, 2016. This analysis has been conducted to assist the administration of the City with their financial reporting requirements as well as to assist the City in their self-insurance renewal application process with the PA Bureau of Workers' Compensation.

By using the loss experience of The City of Scranton in combination with the City's own development patterns weighted with those patterns as promulgated by the Pennsylvania Bureau of Workers' Compensation, GRA Consulting has estimated the total discounted outstanding liabilities as of August 30, 2016 to be \$22,103,877. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 2.75 percent. This is an increase of \$2.1Mil over the prior report. The predominant impacts are threefold:

1. The death claim for police officer John Wilding (dol 7/11/15) — the indemnity benefits reserve is just under \$1.8Mil when one year prior it was at \$4,599,
2. The introduction of the new program year 2016/2017 which contributed over \$1.43Mil to the total increase, and
3. A 0.25 decrease in the discount rate utilized in discounting the outstanding losses of the program. Estimated increase of \$404,500 to the total obligation.

These three factors significantly outweighed the reductions due to the closing of 96 claims over the past year, including one critical claim carrying a reserve of almost \$450,000.

Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 08835
Tel. (908) 642-3031

Mr. David Bulzoni
9/25/2016
Page 2 of 3

Exhibit 5 details the level of anticipated, expected claims and claims expense expenditures for the 2017 calendar year, which total \$3,323,826. This is an increase of just over \$607,000 above the prior year's expected claims expenditures and is predominantly due to the impact of the reserve increase in the Wilding claim. It is the Bureau's position that the estimated ultimate losses used in Exhibit 5 to project the upcoming cash payouts in 2017 be gross of any reinsurance recoverable. We have estimated that this position by the Bureau results in an overstatement of the expected cash payout during 2017 for this one year alone of \$275,000.

In Exhibit 5, we continue to employ a selection process that is based upon the midpoint of a range of possible estimates of the claims and associated claims expense to be paid out in 2017. We had a prior history of overstating the expected payouts due to two issues: the selected paid loss development factors continued to overestimate the ultimate final costs, and, two, the Bureau's position that the starting point of this exhibit should be estimated ultimate losses by program year that reflect zero potential reinsurance recoveries for any year regardless of whether or not the providing carrier is viewed as qualified or not. This has been the Bureau's position since November of 2005. In other words, this amount is now gross of any amounts that may be reimbursed by your excess carriers.

Finally, as outlined in Table A, combining the expected claims to be paid in 2017 with the other expenses of the Fund as provided by the Business Administration staff, the total expenditures to the Fund for 2017 are anticipated to be \$3,758,821.

As noted previously, a change in the claims administration management of this program can have many impacts, from increasing reserves to a speed up in the payment of claims, or visa versa. It will take another two August 31st evaluations to determine whether the claims management philosophy of the newest TPA will have a material impact on the projected results of this program. At this time, it appears that the initial impact of PMA Companies has been an increase in payments on open claims, coupled with resultant reserve takedowns and closings. We will continue to closely monitor changes in paid and reported loss emergence patterns for future analyses.

Should you have any questions or need for further clarification; please do not hesitate to contact me at (908) 642-0311. One original of this report and one working copy for the reinsurance company have been provided. In the interest of complying with the PA WC Bureau's request for a timely review of the actuarial report, I have forwarded an original of this report to Lac Longson, Actuary, PA Bureau of Workers' Compensation in Harrisburg.

Mr. David Bulzoni
9/25/2016
Page 3 of 3

The invoice for our services has been included in a separate cover within this mailing.

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

GRA: Scranton_cover_September 25, 2016.doc

GRA Consulting

September 25, 2016

Mr. Lao Longson
Actuary
Commonwealth of Pennsylvania
Department of Labor & Industry
Self-Insurance and Safety Division
Bureau of Workers' Compensation
1171 S. Cameron Street
Harrisburg, PA 17104-2501

RE: The City of Scranton
Pennsylvania Self-Insurance Renewal Application Security Requirements

Dear Mr. Longson:

Gary R. Abramson, Casualty Actuarial Services ("GRA Consulting") has been retained by The City of Scranton to evaluate outstanding losses for the City's workers' compensation self-insurance program. This analysis has been conducted to assist the administration of the City with their annual renewal application establishing security requirements with the Pennsylvania Bureau of Workers' Compensation, Self-Insurance and Safety Division.

By using the loss experience of The City of Scranton in combination with their own historical development patterns, weighted with Pennsylvania statewide development patterns as promulgated by your Department, GRA Consulting has estimated the total discounted outstanding liabilities as of August 31, 2016 to be \$22,103,877. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 2.75 percent.

The attached Table A summarizes the projected expenditures for the City's self-insured workers' compensation program for the calendar year commencing January 1, 2017. It includes estimates of the cost of claims and claim expense payments (gross of any anticipated reinsurance recoveries), claims administrative costs, general self-insurance costs and the Trust Fund operating expenses. The development of the claims liability expenses is explained within the attached synopsis; otherwise the expenses associated with 2017 are as estimated by The City based upon expected outlays. As displayed within this table, the projected annual expenditures for calendar year 2017 for all categories combined is \$3,758,821.

If you should have any questions, please do not hesitate to call me at (908) 642-0311.

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

Enclosures

GRA: DOC: SCRANTON_SMRV_8.31.16.DOC
cc: David Bulzoni, Business Administrator

Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 08835
Tel. (908) 642-3031

GRA Consulting

September 25, 2016

Mr. David Bulzoni
Business Administrator
City of Scranton
Department of Business Administration
City Hall
340 North Washington Avenue
Scranton, Pennsylvania 18503

Re: The City's Self-Insured Workers' Compensation Program
Reserve Analysis and Loss Forecast, Self-Insurance Renewal Application

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These three factors significantly outweighed the reductions due to the closing of 96 claims over the past year, including one critical claim carrying a reserve of almost \$450,000.

Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 08835
Tel. (908) 642-3031

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Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 0885
Tel. (908) 642-0331

Mr. David Bulzoni
9/25/2016
Page 3 of 3

The invoice for our services has been included in a separate cover within this mailing.

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

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Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 0885
Tel. (908) 642-0331

GRA Consulting

September 25, 2016

Mr. Lac Longson
Actuary
Commonwealth of Pennsylvania
Department of Labor & Industry
Self-Insurance and Safety Division
Bureau of Workers' Compensation
1171 S. Cameron Street
Harrisburg, PA 17104-2501

RE: The City of Scranton
Pennsylvania Self-Insurance Renewal Application Security Requirements

Dear Mr. Longson:

Gary R. Abramson, Casualty Actuarial Services ("GRA Consulting") has been retained by The City of Scranton to evaluate outstanding losses for the City's workers' compensation self-insurance program. This analysis has been conducted to assist the administration of the City with their annual renewal application establishing security requirements with the Pennsylvania Bureau of Workers' Compensation, Self-Insurance and Safety Division.

By using the loss experience of The City of Scranton in combination with their own historical development patterns, weighted with Pennsylvania statewide development patterns as promulgated by your Department, GRA Consulting has estimated the total discounted outstanding liabilities as of August 31, 2016 to be \$22,103,877. As displayed on Exhibit 4, this amount represents the sum of estimated outstanding losses discounted for future investment earnings at an annual rate of 2.75 percent.

The attached Table A summarizes the projected expenditures for the City's self-insured workers' compensation program for the calendar year commencing January 1, 2017. It includes estimates of the cost of claims and claim expense payments (gross of any anticipated reinsurance recoveries), claims administrative costs, general self-insurance costs and the Trust Fund operating expenses. The development of the claims liability expenses is explained within the attached synopsis; otherwise the expenses associated with 2017 are as estimated by The City based upon expected outlays. As displayed within this table, the projected annual expenditures for calendar year 2017 for all categories combined is \$3,758,821.

If you should have any questions, please do not hesitate to call me at (908) 642-0311.

Sincerely,



Gary R. Abramson, ACAS, MAAA
Consulting Actuary

Enclosures

GRA: DOC: SCRANTON_SMKY_8.31.16.DOC
cc: David Bulzoni, Business Administrator

Gary R. Abramson, Casualty Actuarial Services
9 South 12th Avenue, Manville, NJ 08835
Tel. (908) 642-3031

Table A

The City of Scranton
Worker's Compensation

Projected Annual Expenditure Amounts
Calendar Year 2017

<u>Category</u>	<u>Amount</u>
1. Claims Liability - midpoint of reasonableness range (Losses & ALAE payments, from Exhibit 5)	\$3,323,826
2. Claims Administrative Expense (PMA Claims Services annual services fee)	\$68,750
3. General Self-Insurance Expenses (Excess Reinsurance, Risk Mgmt Services, Loss Control & Special Assessments)	\$312,000
4. Trust Operating Expenses (Trust Fund fees including investment, accounting and actuarial services)	<u>\$54,245</u>
Total Projected Annual Expenditures (January 1, 2017 through December 31, 2017)	<u>\$3,758,821</u>

25-Sep-16

Table A.x/s

Gary R. Abramson, Casualty Actuarial Services

THE CITY OF SCRANTON
Workers' Compensation

SYNOPSIS OF PROCEDURES

The general thrust of this analysis has involved the estimation of expected ultimate losses by program year. This is accomplished in the following fashion.

For all historical injury periods, loss development factors as promulgated by the PA Bureau of Workers' Compensation, Self-Insurance and Safety Division, are combined with the historical development patterns of The City and then applied to the most recent evaluation of losses. This link ratio approach results in the estimation of ultimate losses by program year.

This methodology parallels that employed by the Bureau with the following exceptions:

- (1) Individual large losses, if necessary, are capped at their respective per occurrence retentions, subject to the reinsurance in-force being that as provided by a licensed carrier with a financial rating of at least B+.
- (2) Reported and paid loss development procedures are utilized prior to selecting ultimate loss estimates which are based upon a 60/40 weighted average of the two procedures, and
- (3) The estimated outstanding losses as of the date of evaluation are discounted to a present value basis utilizing the underlying payment pattern of the specific losses at a yield rate representative of the U.S. 30 year Treasury Bond in effect at the time of evaluation, as specified in the PA Bureau of Workers' Compensation, Self-Insurance and Safety Division Regulations, § 125.9 (f).

A detailed explanation of the exhibits and analysis follows.

EXHIBIT 1

Sheet 1 of this exhibit provides a summary of the loss experience under analysis. The experience is that as provided by the PMA Companies, evaluated as of August 31, 2016. PMA assumed all claims administrative responsibilities from PA Claims Services as of March 1, 2013. The data displayed is the collective experience of all previous TPA's as provided to and assimilated by PMA. A comparison of the losses for accident years up through and including 2015/16, will show that during the previous twelve months, the program paid out \$3,804,000 in claims and related expenses, while the reported losses increased by approximately \$2,830,000 over the same time frame. This implies a decrease in the outstanding losses for the City's self-insured program of approximately \$975,000 for policy years up through and including 2015/16. This data has not been audited for accuracy but has been reviewed for reasonableness and consistency.

Sheet 2 of this exhibit provides basic exposure information in the form of number of employees and payroll for the current, prospective and nineteen historical program periods. Trends in the average annual wage per employee are displayed for each year and for the nineteen year history overall.

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EXHIBIT 2

Exhibit 2 presents the development of the estimated ultimate losses for the respective accident periods.

Three versions of Exhibit 2 are presented – ultimate losses projected on a fully unlimited basis; ultimate loss projections limited to each policy periods specific per occurrence retention; and ultimate losses limited by the specific per occurrence retention for those reinsurers who have been approved by the Bureau as responsive reinsurers for the time periods under review.

The estimated losses of Exhibit 2, Sheets 2 & 3 have been presented on a limited basis. Excess insurance purchased by the City effectively limits the impact of any large loss to a specific per occurrence retention underlying the program. Column (F) identifies the critical large loss amount by accident period. Any claim at or exceeding this limit would effectively be subject to a special capping procedure, thereby limiting its impact on the overall obligations of the City. As of this valuation, 66 individual claims meet this criterion. This is an increase of three (3) critical value claim from the prior August 2015 analysis.

From Sheet 3 of this exhibit, when the large claims are removed from this capping procedure due to the unlikely recovery of any reinsurance recoverables due from Frontier Insurance for program years 1995 and 1996 and the General Reinsurance Pappy Plan of late 1990-93, the number of critical claims declines to 36 overall. This is an increase of two critical claims over the prior analysis. When comparing sheets 2 & 3 of this exhibit, the impact of the unresponsive reinsurance can be estimated at approximately \$6.725 Million. It is Sheet 3 of this exhibit that forms the basis of the final analysis for this review.

The selected expected ultimate losses of this exhibit are based upon a 60/40 weighted average between the two loss development methodologies employed – reported & paid. Due to the influence of the City's previous and highly successful buyout program of older, open claims, it is anticipated that the estimate based solely upon paid losses would overstate the true underlying ultimate losses by program period. Therefore, while it is likely that the true ultimate losses by year will lie somewhere between the estimates developed by the two methodologies, it is expected that they will probably be more closely aligned with those of the reported methodology. This weighting methodology will need to be closely monitored on an ongoing basis to properly reflect the reserving and payment practices of the current TPA.

Development of the selected loss development factors utilized in the projection of ultimate losses for this exhibit is explained in greater detail in the commentary underlying Appendix A.

EXHIBIT 3

Exhibit 3 develops estimated ultimate losses for the current and prospective program years by extending loss-per-exposure estimates from prior accident periods. Various averages are displayed on this exhibit and the selected average attempts to balance responsiveness to current trends with the stability inherent in reviewing several years of experience. The selected average loss rate, per \$100 of payroll, is then multiplied by the estimated payroll base for the individual years, to yield estimated expected ultimate losses for the current, relatively immature March 1, 2016 - February 28, 2017 program year as well as the forecasted results for the March 1, 2017 – February 28, 2018 accident period. The selected loss rate for accident year 2016/17 is \$0.50 larger than the selected rate from the prior analysis and now matches that selected two reviews prior. This is a 4% increase in the selected loss rate and is reflective of the highly volatile results of the more recent program years.

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Loss and exposure trends utilized in this exhibit are selections based upon insurance industry averages. To the extent that the City's actual underlying trend is different, a slight bias in the estimate may result. However, the excess insurance purchased by the City should limit the impact of this risk, at least from a severity viewpoint.

EXHIBIT 4

Exhibit 4 develops the estimated outstanding losses as of August 31, 2016 on both a nominal basis and a discounted basis. The estimated outstanding losses as of August 31, 2016 are calculated by subtracting the paid losses as of that date from the estimate of the limited ultimate losses derived in Exhibit 2, Sheet 3 and Exhibit 3 for program year 2016/17. The discounted outstanding losses of this exhibit were produced through the application of discount factors derived based upon the prevailing 30 year U.S. Treasury Bond rate in effect as of August 31, 2016 and the underlying payment pattern for the specific losses. In addition, there are ten large claims in the 1986/87-1988/89 program years plus another thirteen in the 1999 - 2002, and 2004 years as identified in Appendix B with paid to date amounts in excess of their underlying retention. Since Exhibit 2 has already limited these claims to a maximum of the underlying retention, any excess payments have to be backed-out in order to eliminate a double credit for reinsurance recoverable.

The discounted outstanding loss as calculated within Exhibit 4 is approximately \$2.1Mil more than the prior analysis. It is reflective of the \$1.79Mil reserve increase in the July 2015 Wilding death claim, the impact of the new 2016/2017 program year to the analysis, and a 0.25 percent decrease in the rate of return utilized to discount the outstanding losses. The 0.25 point decrease in the underlying rate of interest utilized in discounting the expected payout pattern is responsible for approximately \$405,000 of the difference between these two annual evaluations. The growth in the Wilding obligation coupled with the introduction of the new 2016/17 program year offset much of the impact of 96 claims closing in the past year including one critical claim which had a reserve takedown of almost \$450,000.

EXHIBIT 5

Exhibit 5 develops a projection of the calendar year 2017 expected claims payments, including allocated claims expenses, for each program year under review. This exhibit simply extrapolates from the unlimited ultimate losses as previously derived for the anticipated annual expenditures commencing January 1, 2017. The projection is based upon the underlying paid loss development patterns that underlie the development of the ultimate losses by program year (attached as Appendix A, Sheets 1-5). By converting the cumulative paid factors into a percentage of losses paid at a given maturity and then comparing that percentage twelve months later, a percentage of losses expected to be paid in the upcoming twelve months can be calculated. The subsequent multiplication across program years yields an anticipated annual expenditure for calendar year 2017 of \$3,798,658. This figure is inclusive of allocated claims expenses since they are contained within the underlying loss data as presented by PMA Companies for this analysis and is further presented gross of any anticipated reinsurance recoveries.

A review of prior years' payouts had shown that this method had generally overstated the projected claims payments for the upcoming twelve months by upwards of 25%. The reasoning is two-fold: historical paid development factors are overly conservative and the ultimate losses used to project the upcoming payments do not reflect potential reinsurance recoveries. Our mid-point of a reasonable range of estimates (\$3,323,826) results in a 12.5% decrease in expected costs. Based upon the average monthly payments over the past twelve months (\$317,000), the \$3.23M midpoint appears to be reasonable.

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APPENDIX A

Appendix A presents the analysis of historical loss development patterns utilizing a variety of curve fitting techniques and display's various goodness of fit tests. Pennsylvania WC Bureau development patterns for paid and reported losses and reported claim counts have been used to supplement the City's own experience. The City's own loss development patterns are displayed in the triangulations of Sheets 1-2 & 6-7, for paid and reported losses respectively.

Various averages of the development factors are shown, as are those of the Bureau of WC. The selected development factors attempt to weigh the responsiveness of the City's own experience with the stability inherent in those of the collective insurance industry in the Commonwealth of Pennsylvania for Industry Grouping 16, Public Administration entities. Selections of paid and reported loss development factors have remained steady over prior valuations and will need to be closely monitored going forward.

PMA has been the current TPA for over three years and continues to aggressively settle claims and establish reasonable reserves, resulting in some volatility in payouts especially in the more recent program years. The final selection process attempts to smooth over these variable data anomalies. Due to the termination of the previous TPA and the resultant laborious task by PMA to re-establish accurate claim files, annual aggregate evaluations for 12.31.12 through 12.31.13 have not been available. We have started to build new development pattern tables based on recent evaluations but currently have only two successive August 31st evaluations upon which to back-fill the new tables.

APPENDIX B

Appendix B, Sheet 1 presents the derivation of the critical reported loss amounts necessary to identify current large losses that would require special treatment under various per claim retention programs.

These critical loss amounts were used during a review of individual large losses of the City as detailed through a PA Claims Statement of Losses valued as of August 31, 2016. As mentioned previously, currently sixty-six losses meet or exceed these critical amounts and are displayed individually by program year within Sheets 2 through 5 of this Appendix.

APPENDIX C

Appendix C presents the derivation of discount factors used in discounting each accident periods' outstanding liabilities. This exhibit utilizes a discount rate of 2.75% per annum in combination with the selected payment pattern underlying the paid losses. The discount rate is representative of the effective yield as of August 31, 2016 for 30 year US Treasury Bonds.

The City of Scranton
Summary of Historical Loss Experience
As of August 31, 2016

Accident Year	Maturity (months)	Number of Claims			Paid Losses (Net of Subro)	Reported Losses
		Closed	Open	Total		
03/01/79-02/28/80	460	5	1	6	\$1,273,382	\$1,286,638
03/01/80-02/28/81	438	5	2	7	\$1,774,156	\$1,903,159
03/01/81-02/28/82	426	6	1	7	\$2,166,020	\$2,269,337
03/01/82-02/28/83	414	8	1	9	\$716,307	\$799,233
03/01/83-02/28/84	402	2	1	3	\$1,616,948	\$1,753,155
03/01/84-02/28/85	390	5	0	5	\$134,535	\$134,535
03/01/85-02/28/86	378	3	1	4	\$1,306,240	\$1,348,721
03/01/86-02/28/87	366	1	2	3	\$1,377,750	\$1,537,292
03/01/87-02/28/88	354	10	1	11	\$2,434,486	\$2,468,436
03/01/88-02/28/89	342	5	5	10	\$3,022,839	\$3,811,436
03/01/89-02/28/90	330	10	1	11	\$1,972,365	\$2,023,237
03/01/90-02/28/91	318	18	2	20	\$2,746,861	\$3,140,143
03/01/91-02/28/92	306	114	4	118	\$5,462,868	\$5,869,389
03/01/92-02/28/93	294	201	2	203	\$5,265,433	\$5,347,546
03/01/93-02/28/94	282	176	5	181	\$7,531,025	\$7,807,289
03/01/94-02/28/95	270	194	0	194	\$1,815,475	\$1,815,480
03/01/95-02/28/96	258	274	3	277	\$6,886,196	\$6,981,008
03/01/96-02/28/97	246	220	3	223	\$2,360,875	\$2,950,533
03/01/97-02/28/98	234	235	1	236	\$2,268,003	\$2,270,747
03/01/98-02/28/99	222	219	2	221	\$2,216,524	\$2,441,945
03/01/99-02/28/00	210	233	0	233	\$2,026,959	\$2,026,957
03/01/00-02/28/01	198	194	0	194	\$1,751,046	\$1,751,054
03/01/01-02/28/02	186	191	0	191	\$2,505,028	\$2,505,031
03/01/02-02/28/03	174	206	3	209	\$5,627,769	\$5,695,317
03/01/03-02/28/04	162	150	2	152	\$1,524,313	\$1,962,581
03/01/04-02/28/05	150	148	2	150	\$3,087,333	\$3,094,492
03/01/05-02/28/06	138	156	0	156	\$1,576,424	\$1,576,649
03/01/06-02/28/07	126	169	1	170	\$1,712,312	\$1,908,508
03/01/07-02/28/08	114	174	1	175	\$1,510,863	\$1,527,844
03/01/08-02/28/09	102	141	2	143	\$1,503,913	\$1,511,127
03/01/09-02/28/10	90	157	1	158	\$1,395,458	\$1,412,329
03/01/10-02/28/11	78	156	2	158	\$1,747,523	\$1,769,998
03/01/11-02/28/12	66	144	4	148	\$1,919,618	\$2,096,891
03/01/12-02/28/13	54	132	4	136	\$1,230,575	\$1,332,040
03/01/13-02/28/14	42	123	2	125	\$1,225,407	\$1,256,112
03/01/14-02/28/15	30	108	7	115	\$1,476,079	\$1,627,129
03/01/15-02/28/16	18	104	19	123	\$1,852,708	\$3,941,242
03/01/16-02/28/17	6	28	24	52	\$252,066	\$437,821
Totals		4425	112	4537	\$88,273,622	\$95,392,361

Source: PMA Companies Loss Summary by Policy, Account # 0441006
Statement of Losses Valued as of: August 31, 2016

Note: Claim counts include claims closed without payment, and notice & medical only claims

The City of Scranton
Summary of Historical Exposure
As of August 31, 2016

<u>Calendar Year</u>	<u>Number of Employees</u>	<u>Payroll</u>	<u>Average Pay Per EE</u>	<u>Annual Change in Avg Payroll</u>
1997	671	\$18,920,100	\$33,135	
1998	584	\$18,968,992	\$32,481	-2.0%
1999	485	\$19,098,399	\$39,378	21.2%
2000	516	\$22,307,900	\$43,232	9.8%
2001	605	\$24,626,474	\$40,705	-5.8%
2002	580	\$21,313,870	\$36,748	-9.7%
2003	543	\$16,463,598	\$30,320	-17.5%
2004	562	\$20,214,639	\$35,969	18.6%
2005	520	\$17,887,985	\$34,400	-4.4%
2006	529	\$17,807,008	\$33,662	-2.1%
2007	516	\$18,738,747	\$36,315	7.9%
2008	525	\$19,114,409	\$36,408	0.3%
2009	549	\$18,670,308	\$34,008	-6.6%
2010	555	\$24,921,069	\$44,903	32.0%
2011	480	\$24,992,200	\$52,067	16.0%
2012	468	\$22,633,282	\$48,362	-7.1%
2013	498	\$28,699,650	\$57,630	19.2%
2014	480	\$30,574,331	\$63,697	10.5%
2015	475	\$32,395,961	\$68,202	7.1%
2016	487	\$31,468,362	\$64,617	-5.3%
Average Annual Trend in Average Payroll per Employee:				5.0%
2017 Budgetary	489	\$29,587,900	\$60,507	-11.3%

Source: City of Scranton, Department of Business Administration

Estimation of Unlimited Ultimate Losses

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Accident Period	Evaluation Date	Maturity (months)	Reported Losses at 6/30/16	Paid Losses at 6/30/16	Large Loss Critical Amount	Number of Losses > Column (F)	Reported on Large Losses	Paid on Large Losses
03/01/88-02/28/89	06/01/2016	368.0	\$1,537,292	\$1,377,760	N/A	N/A	N/A	N/A
03/01/89-02/28/90	06/01/2016	364.0	\$2,408,438	\$2,434,488	N/A	N/A	N/A	N/A
03/01/90-02/28/91	06/01/2016	342.0	\$4,811,438	\$3,622,839	N/A	N/A	N/A	N/A
03/01/91-02/28/92	06/01/2016	330.0	\$2,023,237	\$1,972,365	N/A	N/A	N/A	N/A
03/01/92-02/28/93	06/01/2016	318.0	\$3,140,143	\$2,740,801	N/A	N/A	N/A	N/A
03/01/93-02/28/94	06/01/2016	306.0	\$5,869,389	\$5,482,868	N/A	N/A	N/A	N/A
03/01/94-02/28/95	06/01/2016	294.0	\$5,347,548	\$6,285,433	N/A	N/A	N/A	N/A
03/01/95-02/28/96	06/01/2016	282.0	\$7,007,209	\$7,591,025	N/A	N/A	N/A	N/A
03/01/96-02/28/97	06/01/2016	270.0	\$1,815,430	\$1,815,479	N/A	N/A	N/A	N/A
03/01/97-02/28/98	06/01/2016	258.0	\$8,561,008	\$6,888,189	N/A	N/A	N/A	N/A
03/01/98-02/28/99	06/01/2016	246.0	\$7,950,533	\$2,280,875	N/A	N/A	N/A	N/A
03/01/99-02/28/00	06/01/2016	234.0	\$2,270,747	\$2,288,003	N/A	N/A	N/A	N/A
03/01/00-02/28/01	06/01/2016	222.0	\$2,441,945	\$2,210,524	N/A	N/A	N/A	N/A
03/01/01-02/28/02	06/01/2016	210.0	\$2,028,857	\$2,028,950	N/A	N/A	N/A	N/A
03/01/02-02/28/03	06/01/2016	198.0	\$1,751,054	\$1,751,048	N/A	N/A	N/A	N/A
03/01/03-02/28/04	06/01/2016	186.0	\$2,505,831	\$2,505,820	N/A	N/A	N/A	N/A
03/01/04-02/28/05	06/01/2016	174.0	\$5,686,217	\$5,627,789	N/A	N/A	N/A	N/A
03/01/05-02/28/06	06/01/2016	162.0	\$1,962,581	\$1,524,313	N/A	N/A	N/A	N/A
03/01/06-02/28/07	06/01/2016	150.0	\$3,084,482	\$3,087,335	N/A	N/A	N/A	N/A
03/01/07-02/28/08	06/01/2016	138.0	\$1,575,848	\$1,576,424	N/A	N/A	N/A	N/A
03/01/08-02/28/09	06/01/2016	126.0	\$1,908,508	\$1,712,812	N/A	N/A	N/A	N/A
03/01/09-02/28/10	06/01/2016	114.0	\$1,527,844	\$1,510,869	N/A	N/A	N/A	N/A
03/01/10-02/28/11	06/01/2016	102.0	\$1,511,127	\$1,603,813	N/A	N/A	N/A	N/A
03/01/11-02/28/12	06/01/2016	90.0	\$1,412,829	\$1,385,458	N/A	N/A	N/A	N/A
03/01/12-02/28/13	06/01/2016	78.0	\$1,769,890	\$1,747,523	N/A	N/A	N/A	N/A
03/01/13-02/28/14	06/01/2016	66.0	\$2,008,881	\$1,816,818	N/A	N/A	N/A	N/A
03/01/14-02/28/15	06/01/2016	54.0	\$1,882,040	\$1,230,675	N/A	N/A	N/A	N/A
03/01/15-02/28/16	06/01/2016	42.0	\$1,268,112	\$1,225,407	N/A	N/A	N/A	N/A
03/01/16-02/28/17	06/01/2016	30.0	\$1,827,129	\$1,476,070	N/A	N/A	N/A	N/A
03/01/17-02/28/18	06/01/2016	18.0	\$3,941,242	\$1,852,708	N/A	N/A	N/A	N/A
03/01/18-02/28/19	06/01/2016	6.0	\$482,071	\$242,088	N/A	N/A	N/A	N/A
Total			\$85,897,583	\$79,226,084				

(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
Accident Period	Evaluation Date	Maturity (months)	Cumulative Rptd Loss Dev Factor	Implied Unlimited Ultimate Losses	Cumulative Paid Loss Dev Factor	Implied Unlimited Ultimate Losses	Implied Unlimited Ultimate Losses
03/01/88-02/28/89	06/01/2016	366.0	1.041	\$1,600,094	1.178	\$1,623,242	\$1,623,242
03/01/89-02/28/90	06/01/2016	364.0	1.043	\$2,573,384	1.185	\$2,805,065	\$2,805,065
03/01/90-02/28/91	06/01/2016	342.0	1.044	\$4,980,312	1.192	\$3,804,707	\$3,804,707
03/01/91-02/28/92	06/01/2016	330.0	1.048	\$2,116,798	1.200	\$2,387,788	\$2,387,788
03/01/92-02/28/93	06/01/2016	318.0	1.048	\$4,291,938	1.208	\$3,321,203	\$3,321,203
03/01/93-02/28/94	06/01/2016	306.0	1.051	\$8,166,406	1.218	\$6,658,416	\$6,658,416
03/01/94-02/28/95	06/01/2016	294.0	1.053	\$5,531,507	1.229	\$4,488,468	\$4,488,468
03/01/95-02/28/96	06/01/2016	282.0	1.058	\$8,243,071	1.240	\$6,338,823	\$6,338,823
03/01/96-02/28/97	06/01/2016	270.0	1.059	\$1,922,220	1.252	\$2,277,882	\$2,277,882
03/01/97-02/28/98	06/01/2016	258.0	1.062	\$7,414,449	1.265	\$6,713,395	\$6,713,395
03/01/98-02/28/99	06/01/2016	246.0	1.068	\$3,144,478	1.280	\$3,822,201	\$3,822,201
03/01/99-02/28/00	06/01/2016	234.0	1.070	\$2,429,215	1.287	\$2,840,576	\$2,840,576
03/01/00-02/28/01	06/01/2016	222.0	1.074	\$2,823,446	1.315	\$2,814,443	\$2,814,443
03/01/01-02/28/02	06/01/2016	210.0	1.079	\$2,187,876	1.335	\$2,706,884	\$2,706,884
03/01/02-02/28/03	06/01/2016	200.0	1.079	\$1,900,307	1.359	\$2,379,125	\$2,379,125
03/01/03-02/28/04	06/01/2016	186.0	1.085	\$2,785,143	1.385	\$3,488,858	\$3,488,858
03/01/04-02/28/05	06/01/2016	174.0	1.089	\$6,201,970	1.416	\$7,366,381	\$7,366,381
03/01/05-02/28/06	06/01/2016	162.0	1.108	\$2,175,294	1.451	\$2,211,441	\$2,211,441
03/01/06-02/28/07	06/01/2016	150.0	1.110	\$3,462,240	1.492	\$4,606,517	\$4,606,517
03/01/07-02/28/08	06/01/2016	138.0	1.131	\$1,703,685	1.511	\$2,428,404	\$2,428,404
03/01/08-02/28/09	06/01/2016	126.0	1.146	\$2,187,955	1.600	\$2,739,951	\$2,739,951
03/01/09-02/28/10	06/01/2016	114.0	1.165	\$1,780,020	1.673	\$2,527,069	\$2,527,069
03/01/10-02/28/11	06/01/2016	102.0	1.189	\$1,728,074	1.703	\$2,652,037	\$2,652,037
03/01/11-02/28/12	06/01/2016	90.0	1.210	\$1,721,894	1.880	\$2,623,988	\$2,623,988
03/01/12-02/28/13	06/01/2016	78.0	1.260	\$2,230,153	2.038	\$3,538,304	\$3,538,304
03/01/13-02/28/14	06/01/2016	66.0	1.348	\$2,782,711	2.253	\$4,325,524	\$4,325,524
03/01/14-02/28/15	06/01/2016	54.0	1.404	\$1,869,846	2.575	\$3,161,085	\$3,161,085
03/01/15-02/28/16	06/01/2016	42.0	1.545	\$1,841,223	3.097	\$3,735,123	\$3,735,123
03/01/16-02/28/17	06/01/2016	30.0	1.818	\$2,954,674	4.076	\$8,016,886	\$8,016,886
03/01/17-02/28/18	06/01/2016	18.0	2.504	\$9,898,117	6.604	\$12,049,527	\$12,049,527
03/01/18-02/28/19	06/01/2016	6.0	8.603	\$2,990,850	20.231	\$5,000,377	\$5,000,377
Total				\$103,649,888		\$114,370,999	\$114,370,999

Column (J) and (K): Exhibit 1, Sheet 1

Column (L): Not applicable

Column (M) through (O): Not applicable

Column (N): Appendix A, Sheet 3 & 3A

Column (P): Col (J) x Col (M)

Column (Q): Appendix A, Sheet 4 & 4A

Column (R): Col (L) x Col (Q)

Column (S): 80% of Col (N) and 40% of Col (P)

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28-Sep-16

Gary R. Abramson, Casualty Actuarial Services

Estimation of Limited Ultimate Losses
Limited to Specific per Claim Retention (Assuming Full Reinsurance Recoveries)

(A) Accident Period	(B) Evaluation Date	(C) Maturity (months)	(D) Reported Losses at 8/31/16	(E) Paid Losses at 8/31/16	(F) Large Loss Critical Amount	(G) Number of Losses > Col (F)	(H) Reported on Large Losses	(I) Paid on Large Losses
03/01/86-02/28/87	03/31/2016	360.0	\$1,537,282	\$1,377,750	\$240,135	3	\$1,637,281	\$1,377,750
03/01/87-02/28/88	03/31/2016	354.0	\$2,480,438	\$2,434,488	\$35,545	4	\$2,118,842	\$2,084,832
03/01/88-02/28/89	03/31/2016	342.0	\$3,011,436	\$3,022,839	\$287,334	5	\$2,721,930	\$1,966,947
03/01/89-02/28/90	03/31/2016	330.0	\$2,023,237	\$1,872,365	\$477,875	1	\$502,570	\$452,038
03/01/90-02/28/91	03/31/2016	310.0	\$3,148,143	\$2,746,661	\$477,875	2	\$1,183,989	\$1,070,707
03/01/91-02/28/92	03/31/2016	306.0	\$5,860,388	\$5,482,688	\$333,308	8	\$4,212,449	\$3,005,837
03/01/92-02/28/93	03/31/2016	294.0	\$5,347,548	\$5,285,433	\$380,198	4	\$2,573,730	\$2,481,820
03/01/93-02/28/94	03/31/2016	282.0	\$7,807,289	\$7,531,026	\$379,118	9	\$5,135,531	\$4,858,349
03/01/94-02/28/95	03/31/2016	270.0	\$1,815,488	\$1,815,475	\$330,788	0	\$0	\$0
03/01/95-02/28/96	03/31/2016	258.0	\$8,981,008	\$8,886,186	\$471,218	5	\$3,022,838	\$2,928,030
03/01/96-02/28/97	03/31/2016	246.0	\$2,950,533	\$2,800,875	\$459,449	2	\$1,432,838	\$847,476
03/01/97-02/28/98	03/31/2016	234.0	\$2,270,747	\$2,288,303	\$371,154	1	\$205,272	\$195,272
03/01/98-02/28/99	03/31/2016	222.0	\$2,441,945	\$2,216,524	\$372,602	1	\$534,444	\$348,011
03/01/99-02/28/00	03/31/2016	210.0	\$2,026,957	\$2,026,959	\$231,784	3	\$842,188	\$842,188
03/01/00-02/28/01	03/31/2016	198.0	\$1,751,054	\$1,751,048	\$230,581	3	\$1,008,418	\$1,008,418
03/01/01-02/28/02	03/31/2016	186.0	\$2,505,031	\$2,505,028	\$228,212	4	\$1,292,419	\$1,292,419
03/01/02-02/28/03	03/31/2016	174.0	\$5,895,317	\$5,637,789	\$273,189	5	\$2,150,048	\$2,136,543
03/01/03-02/28/04	03/31/2016	162.0	\$1,982,581	\$1,524,313	\$316,227	1	\$688,103	\$289,423
03/01/04-02/28/05	03/31/2016	150.0	\$1,091,452	\$1,087,333	\$353,112	2	\$815,267	\$815,267
03/01/05-02/28/06	03/31/2016	138.0	\$1,578,848	\$1,578,424	\$442,842	0	\$0	\$0
03/01/06-02/28/07	03/31/2016	126.0	\$1,908,508	\$1,712,312	\$855,771	1	\$858,493	\$482,287
03/01/07-02/28/08	03/31/2016	114.0	\$1,527,844	\$1,510,853	\$945,623	0	\$0	\$0
03/01/08-02/28/09	03/31/2016	102.0	\$1,511,127	\$1,503,913	\$833,308	0	\$0	\$0
03/01/09-02/28/10	03/31/2016	90.0	\$1,412,328	\$1,395,458	\$818,081	0	\$0	\$0
03/01/10-02/28/11	03/31/2016	78.0	\$1,759,898	\$1,747,523	\$836,784	0	\$0	\$0
03/01/11-02/28/12	03/31/2016	66.0	\$2,068,881	\$1,919,618	\$812,107	0	\$0	\$0
03/01/12-02/28/13	03/31/2016	54.0	\$1,332,040	\$1,230,573	\$578,244	0	\$0	\$0
03/01/13-02/28/14	03/31/2016	42.0	\$1,258,112	\$1,225,407	\$525,719	0	\$0	\$0
03/01/14-02/28/15	03/31/2016	30.0	\$1,827,129	\$1,478,078	\$450,070	0	\$0	\$0
03/01/15-02/28/16	03/31/2016	18.0	\$3,841,242	\$1,852,788	\$328,170	2	\$2,885,160	\$515,881
03/01/16-02/28/17	03/31/2016	6.0	\$437,821	\$282,056	\$128,743	0	\$0	\$0
Totals			\$85,897,583	\$76,268,064		66	\$35,806,824	\$30,170,096

(J) Accident Period	(K) Evaluation Date	(L) Maturity (months)	(M) Cumulative Rptd Loss Dev Factor	(N) Implied Limited Ultimate Losses	(O) Cumulative Paid Loss Dev Factor	(P) Implied Limited Ultimate Losses	(Q) Specific Retention Estimate Ultimate Losses
03/01/86-02/28/87	03/31/2016	360.0	1.041	\$855,001	1.178	\$855,000	\$1,144,312
03/01/87-02/28/88	03/31/2016	354.0	1.043	\$1,784,885	1.165	\$1,814,882	\$1,718,832
03/01/88-02/28/89	03/31/2016	342.0	1.044	\$2,887,779	1.192	\$2,889,141	\$2,188,824
03/01/89-02/28/90	03/31/2016	330.0	1.048	\$2,090,369	1.208	\$2,325,053	\$2,064,876
03/01/90-02/28/91	03/31/2016	318.0	1.048	\$2,767,178	1.203	\$3,028,570	\$2,864,876
03/01/91-02/28/92	03/31/2016	306.0	1.051	\$4,540,811	1.218	\$4,318,943	\$3,864,876
03/01/92-02/28/93	03/31/2016	294.0	1.053	\$4,621,109	1.229	\$5,006,094	\$4,584,876
03/01/93-02/28/94	03/31/2016	282.0	1.058	\$8,420,889	1.240	\$8,812,204	\$8,184,876
03/01/94-02/28/95	03/31/2016	270.0	1.059	\$1,822,230	1.252	\$2,272,882	\$1,704,876
03/01/95-02/28/96	03/31/2016	258.0	1.062	\$6,703,826	1.285	\$7,508,435	\$6,884,876
03/01/96-02/28/97	03/31/2016	246.0	1.066	\$2,817,688	1.280	\$2,837,350	\$2,584,876
03/01/97-02/28/98	03/31/2016	234.0	1.070	\$2,408,358	1.287	\$2,829,087	\$2,534,876
03/01/98-02/28/99	03/31/2016	222.0	1.074	\$2,444,981	1.315	\$2,858,084	\$2,534,876
03/01/99-02/28/00	03/31/2016	210.0	1.072	\$1,920,831	1.338	\$2,188,034	\$2,034,876
03/01/00-02/28/01	03/31/2016	198.0	1.085	\$1,555,935	1.359	\$1,759,000	\$1,604,876
03/01/01-02/28/02	03/31/2016	186.0	1.092	\$2,404,603	1.385	\$2,758,864	\$2,504,876
03/01/02-02/28/03	03/31/2016	174.0	1.099	\$5,398,003	1.416	\$5,442,000	\$4,994,876
03/01/03-02/28/04	03/31/2016	162.0	1.108	\$1,707,584	1.451	\$2,195,588	\$1,944,876
03/01/04-02/28/05	03/31/2016	150.0	1.119	\$3,239,218	1.492	\$4,040,880	\$3,594,876
03/01/05-02/28/06	03/31/2016	138.0	1.131	\$4,783,685	1.541	\$7,428,409	\$6,474,876
03/01/06-02/28/07	03/31/2016	126.0	1.148	\$2,183,044	1.600	\$2,750,208	\$2,404,876
03/01/07-02/28/08	03/31/2016	114.0	1.185	\$1,780,028	1.673	\$2,527,069	\$2,254,876
03/01/08-02/28/09	03/31/2016	102.0	1.189	\$1,795,074	1.783	\$2,652,037	\$2,304,876
03/01/09-02/28/10	03/31/2016	90.0	1.219	\$1,721,694	1.880	\$2,623,888	\$2,254,876
03/01/10-02/28/11	03/31/2016	78.0	1.280	\$2,230,153	2.038	\$3,558,304	\$3,004,876
03/01/11-02/28/12	03/31/2016	66.0	1.318	\$2,762,711	2.253	\$4,325,524	\$3,774,876
03/01/12-02/28/13	03/31/2016	54.0	1.404	\$1,808,846	2.576	\$3,180,065	\$2,734,876
03/01/13-02/28/14	03/31/2016	42.0	1.945	\$1,841,273	3.087	\$3,785,123	\$3,234,876
03/01/14-02/28/15	03/31/2016	30.0	1.810	\$2,954,874	4.078	\$8,018,808	\$7,018,876
03/01/15-02/28/16	03/31/2016	18.0	2.504	\$5,496,527	6.604	\$10,289,770	\$9,289,876
03/01/16-02/28/17	03/31/2016	6.0	6.603	\$2,802,887	20.231	\$5,089,377	\$4,089,876
Totals				\$87,598,895		\$114,764,775	\$98,485,129

Column (J) and (K): Exhibit 1, Sheet 1
Column (L): Appendix B, Sheet 1 & 2
Column (M) through (P): PHA Large Loss Report by Policy Period
Column (N): Appendix A, Sheet 9 & 9A

Column (Q): Col (N) x Col (M) + Col (P) x Specific Retention
Column (R): Appendix A, Sheet 4 & 4A
Column (S): Col (Q) - Col (N) x Col (P) + Col (R) x Specific Retention
Column (T): 80% of Col (N) and 40% of Col (P)

25-Sep-16

Estimation of Limited Ultimate Losses
Limited to Specific per Claim Retention

(Assumes Allowable Reinsurance recoveries - all but Frontier 1994-1998 and General Re Policy Plan 1990-1993)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Accident Period	Evaluation Date	Maturity (months)	Reported Losses at 6/31/98	Paid Losses at 6/31/98	Large Loss Critical Amount	Number of Losses Collected	Reported on Large Losses	Paid on Large Losses
03/01/95-02/28/97	6/31/2018	366.0	\$1,537,292	\$1,377,750	\$240,136	3	\$1,537,291	\$1,377,750
03/01/97-02/28/99	6/31/2018	354.0	\$2,458,439	\$2,434,488	\$35,545	4	\$2,118,842	\$2,084,802
03/01/99-02/28/01	6/31/2018	342.0	\$3,011,456	\$3,022,830	\$287,334	6	\$2,721,830	\$1,988,847
03/01/01-02/28/03	6/31/2018	330.0	\$2,023,257	\$1,972,355	\$477,975	1	\$502,870	\$462,098
03/01/03-02/28/05	6/31/2018	318.0	\$3,140,143	\$2,746,861	\$477,059	0	\$0	\$0
03/01/05-02/28/07	6/31/2018	306.0	\$5,863,380	\$5,482,869	\$380,511	0	\$0	\$0
03/01/07-02/28/09	6/31/2018	294.0	\$5,347,548	\$5,285,433	\$388,183	0	\$0	\$0
03/01/09-02/28/11	6/31/2018	282.0	\$7,807,289	\$7,531,025	\$579,118	0	\$0	\$0
03/01/11-02/28/13	6/31/2018	270.0	\$1,815,490	\$1,815,475	\$339,708	0	\$0	\$0
03/01/13-02/28/15	6/31/2018	258.0	\$6,981,008	\$6,880,106	\$471,218	0	\$0	\$0
03/01/15-02/28/17	6/31/2018	246.0	\$2,980,533	\$2,380,875	\$489,449	0	\$0	\$0
03/01/17-02/28/19	6/31/2018	234.0	\$2,270,747	\$2,258,003	\$374,154	1	\$395,272	\$395,272
03/01/19-02/28/21	6/31/2018	222.0	\$2,441,845	\$2,216,524	\$372,802	1	\$538,444	\$348,611
03/01/21-02/28/23	6/31/2018	210.0	\$2,028,857	\$2,028,859	\$231,794	3	\$842,188	\$842,188
03/01/23-02/28/25	6/31/2018	198.0	\$1,761,054	\$1,751,040	\$230,561	3	\$1,008,418	\$1,008,418
03/01/25-02/28/27	6/31/2018	186.0	\$2,505,031	\$2,505,028	\$228,212	4	\$1,292,419	\$1,292,419
03/01/27-02/28/29	6/31/2018	174.0	\$5,895,317	\$5,527,769	\$373,189	5	\$2,150,049	\$2,138,543
03/01/29-02/28/31	6/31/2018	162.0	\$1,982,561	\$1,524,313	\$378,227	1	\$688,103	\$268,423
03/01/31-02/28/33	6/31/2018	150.0	\$3,084,482	\$3,057,333	\$388,112	2	\$915,257	\$915,257
03/01/33-02/28/35	6/31/2018	138.0	\$1,576,648	\$1,576,424	\$442,842	0	\$0	\$0
03/01/35-02/28/37	6/31/2018	126.0	\$1,800,880	\$1,712,312	\$688,771	1	\$688,403	\$462,267
03/01/37-02/28/39	6/31/2018	114.0	\$1,527,844	\$1,510,863	\$88,523	0	\$0	\$0
03/01/39-02/28/41	6/31/2018	102.0	\$1,011,127	\$1,503,013	\$633,205	0	\$0	\$0
03/01/41-02/28/43	6/31/2018	90.0	\$1,412,328	\$1,395,458	\$816,081	0	\$0	\$0
03/01/43-02/28/45	6/31/2018	78.0	\$1,789,998	\$1,747,523	\$638,704	0	\$0	\$0
03/01/45-02/28/47	6/31/2018	66.0	\$2,095,891	\$1,918,518	\$812,107	0	\$0	\$0
03/01/47-02/28/49	6/31/2018	54.0	\$1,332,040	\$1,230,575	\$578,244	0	\$0	\$0
03/01/49-02/28/51	6/31/2018	42.0	\$1,268,112	\$1,225,407	\$525,719	0	\$0	\$0
03/01/51-02/28/53	6/31/2018	30.0	\$1,527,129	\$1,476,079	\$480,070	0	\$0	\$0
03/01/53-02/28/55	6/31/2018	18.0	\$3,841,242	\$1,852,708	\$328,170	2	\$2,985,160	\$815,051
03/01/55-02/28/57	6/31/2018	6.0	\$4,607,583	\$4,552,001	\$120,743	0	\$0	\$0
Totals			\$55,887,583	\$49,388,084		38	\$17,858,847	\$14,108,077

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Accident Period	Evaluation Date	Maturity (months)	Cumulative Rptd Loss by Factor	Unpaid Ultimate Losses	Cumulative Paid Loss by Factor	Unpaid Ultimate Losses		
03/01/95-02/28/97	6/31/2018	366.0	1.041	\$855,001	1.178	\$855,000		
03/01/97-02/28/99	6/31/2018	354.0	1.043	\$1,764,865	1.185	\$1,814,632		
03/01/99-02/28/01	6/31/2018	342.0	1.044	\$2,837,779	1.192	\$2,959,141		
03/01/01-02/28/03	6/31/2018	330.0	1.048	\$2,080,589	1.200	\$2,325,053		
03/01/03-02/28/05	6/31/2018	318.0	1.048	\$3,281,838	1.209	\$3,321,289		
03/01/05-02/28/07	6/31/2018	306.0	1.051	\$5,188,488	1.210	\$5,056,418		
03/01/07-02/28/09	6/31/2018	294.0	1.053	\$5,831,607	1.229	\$5,489,188		
03/01/09-02/28/11	6/31/2018	282.0	1.056	\$8,263,071	1.240	\$7,336,823		
03/01/11-02/28/13	6/31/2018	270.0	1.059	\$1,022,230	1.252	\$2,272,892		
03/01/13-02/28/15	6/31/2018	258.0	1.062	\$7,414,419	1.265	\$8,713,395		
03/01/15-02/28/17	6/31/2018	246.0	1.065	\$9,144,478	1.280	\$3,822,231		
03/01/17-02/28/19	6/31/2018	234.0	1.070	\$2,406,358	1.287	\$2,820,067		
03/01/19-02/28/21	6/31/2018	222.0	1.074	\$2,444,981	1.315	\$2,308,084		
03/01/21-02/28/23	6/31/2018	210.0	1.079	\$1,820,931	1.335	\$2,198,834		
03/01/23-02/28/25	6/31/2018	198.0	1.085	\$1,865,935	1.359	\$1,759,800		
03/01/25-02/28/27	6/31/2018	186.0	1.092	\$2,404,003	1.305	\$2,759,854		
03/01/27-02/28/29	6/31/2018	174.0	1.099	\$5,398,003	1.416	\$6,442,000		
03/01/29-02/28/31	6/31/2018	162.0	1.108	\$1,787,594	1.451	\$2,185,558		
03/01/31-02/28/33	6/31/2018	150.0	1.118	\$3,238,215	1.482	\$4,040,030		
03/01/33-02/28/35	6/31/2018	138.0	1.131	\$1,788,888	1.541	\$2,429,403		
03/01/35-02/28/37	6/31/2018	126.0	1.145	\$2,183,044	1.600	\$2,750,708		
03/01/37-02/28/39	6/31/2018	114.0	1.165	\$1,780,828	1.673	\$2,527,088		
03/01/39-02/28/41	6/31/2018	102.0	1.189	\$1,795,074	1.783	\$2,852,837		
03/01/41-02/28/43	6/31/2018	90.0	1.219	\$1,721,894	1.880	\$2,823,388		
03/01/43-02/28/45	6/31/2018	78.0	1.260	\$2,230,153	2.058	\$3,558,304		
03/01/45-02/28/47	6/31/2018	66.0	1.318	\$2,782,711	2.253	\$4,325,524		
03/01/47-02/28/49	6/31/2018	54.0	1.404	\$1,888,048	2.576	\$3,168,085		
03/01/49-02/28/51	6/31/2018	42.0	1.546	\$1,041,273	3.087	\$3,795,123		
03/01/51-02/28/53	6/31/2018	30.0	1.816	\$2,954,874	4.078	\$8,018,808		
03/01/53-02/28/55	6/31/2018	18.0	2.504	\$5,485,527	8.504	\$10,298,770		
03/01/55-02/28/57	6/31/2018	6.0	8.803	\$7,099,030	20.231	\$5,089,377		
Totals				\$83,929,040		\$122,072,805		\$105,168,467

* Columns (D) and (E): Exhibit 1, Sheet 1

Column (F): Appendix A, Sheet 1

Columns (G) through (I): PMA Large Loss Report by Policy Period

Column (J): Appendix A, Sheet 8 & 9A

Column (N): Col (D) - Col (F) x Col (M) + Col (G) x Specific Retention

Column (O): Appendix A, Sheet 4 & 4A

Column (P): Col (E) - Col (M) x Col (C) + Col (G) x Specific Retention

Column (Q): 80% of Col (N) and 40% Col (P)

LTD_ULTS.XLS (Assumed Adjusted)

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

Exhibit 3

Estimation of Limited Ultimate Losses

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Accident Period	Limited Ultimate Losses	Loss Trend Factor	Trended Limited Ultimate Losses	Payroll	Payroll Trend Factor	Adjusted Payroll	Loss Rate per \$100 of Payroll
03/01/06-02/28/07	\$2,409,910	1.791	\$4,315,781	\$17,962,298	1.411	\$25,337,595	\$17.03
03/01/07-02/28/08	\$2,078,844	1.689	\$3,512,164	\$18,801,357	1.363	\$25,624,320	\$13.71
03/01/08-02/28/09	\$2,138,459	1.594	\$3,408,380	\$19,040,392	1.317	\$25,072,560	\$13.59
03/01/09-02/28/10	\$2,082,611	1.504	\$3,131,477	\$19,712,101	1.272	\$25,079,298	\$12.49
03/01/10-02/28/11	\$2,761,413	1.419	\$3,917,118	\$24,932,924	1.229	\$30,648,930	\$12.78
03/01/11-02/28/12	\$3,387,837	1.338	\$4,533,690	\$24,599,047	1.188	\$29,215,951	\$15.52
03/01/12-02/28/13	\$2,389,454	1.262	\$3,016,630	\$23,644,343	1.148	\$27,132,428	\$11.12
03/01/13-02/28/14	\$2,682,813	1.191	\$3,195,273	\$29,012,097	1.109	\$32,166,230	\$9.93
03/01/14-02/28/15	\$4,179,647	1.124	\$4,696,251	\$30,877,936	1.071	\$33,077,217	\$14.20
03/01/15-02/28/16	\$7,417,824	1.060	\$7,862,893	\$32,241,361	1.035	\$33,369,809	\$23.56
Total	\$31,528,812		\$41,589,657			\$286,724,338	\$14.51
Excl HI & Lo			\$30,531,491			\$221,188,299	\$13.80
Avg Last 5 Yrs			\$23,304,737			\$154,961,635	\$15.04
Avg Last 3 Yrs			\$15,754,417			\$98,613,256	\$15.98

(I)	(J)	(K)	(L)
Accident Period	Selected Loss Rate	Payroll	Forecast Limited Ultimate Losses
03/01/16-02/28/17	\$13.50	\$31,154,952	\$4,205,918
03/01/17-02/28/18	\$13.83	\$29,760,496	\$4,114,712

Column(B): Exhibit 2, Sheet 3

Column(C): Based upon a selected annual loss trend of 6.0%

Column(D): Column (B) x Column (C)

Column(E): Exhibit 1, Sheet 2

Column(F): Based upon a selected annual wage trend of 3.5%

Column(G): Column (E) x Column (F)

Column(H): Column (D) / Column (G)

Column(I): Selected average of Column (H), trended for 2017-18

Column(J): Exhibit 1, Sheet 2

Column(L): Column (J) x Column (K)

FORECAST.XLS

Gary R. Abramson, Casualty Actuarial Services

25-Sep-16

The City of Scranton
Worker's Compensation

Exhibit 4

Projection of Discounted Outstanding Losses

(A) Accident Year	(B) Limited Ultimate Losses	(C) Paid Losses	(D) Outstanding Losses	(E) Discount Factor	(F) Discounted Outstanding Losses
As of August 31, 2016:					
Pre - 1986	\$9,494,778	\$8,987,638	\$507,240	0.973	\$493,664
1986/87	\$855,001	\$850,000	\$5,001	0.973	\$4,867
1987/88	\$1,784,612	\$1,749,794	\$34,819	0.963	\$33,518
1988/89	\$2,886,324	\$2,624,094	\$262,230	0.952	\$249,656
1989/90	\$2,184,363	\$1,972,365	\$211,998	0.939	\$199,142
1990/91	\$3,303,676	\$2,746,861	\$556,815	0.927	\$515,980
1991/92	\$6,362,458	\$5,462,868	\$899,590	0.914	\$821,935
1992/93	\$5,966,691	\$5,265,433	\$701,258	0.901	\$631,618
1993/94	\$8,680,572	\$7,531,025	\$1,149,547	0.888	\$1,020,434
1994/95	\$2,062,495	\$1,815,475	\$247,020	0.875	\$216,062
1995/96	\$7,934,028	\$6,886,196	\$1,047,832	0.862	\$902,944
1996/97	\$3,095,578	\$2,360,875	\$734,703	0.849	\$623,600
1997/98	\$2,575,050	\$2,268,003	\$307,047	0.836	\$256,671
1998/99	\$2,609,414	\$2,216,524	\$392,890	0.823	\$323,385
1999/00	\$2,032,012	\$1,832,579	\$199,433	0.810	\$161,617
2000/01	\$1,537,161	\$1,481,672	\$155,489	0.798	\$124,029
2001/02	\$2,546,263	\$2,303,711	\$242,552	0.788	\$191,029
2002/03	\$5,815,602	\$4,968,706	\$846,896	0.777	\$658,454
2003/04	\$1,950,777	\$1,524,313	\$426,464	0.770	\$328,325
2004/05	\$3,559,285	\$2,972,076	\$587,209	0.762	\$447,608
2005/06	\$2,041,972	\$1,576,424	\$465,548	0.757	\$352,555
2006/07	\$2,409,910	\$1,712,312	\$697,598	0.752	\$524,814
2007/08	\$2,078,844	\$1,510,863	\$567,981	0.750	\$425,902
2008/09	\$2,138,459	\$1,503,913	\$634,546	0.747	\$474,252
2009/10	\$2,082,611	\$1,395,458	\$687,153	0.747	\$513,253
2010/11	\$2,761,413	\$1,747,523	\$1,013,890	0.748	\$758,115
2011/12	\$3,387,837	\$1,919,618	\$1,468,219	0.750	\$1,100,769
2012/13	\$2,389,454	\$1,230,575	\$1,158,879	0.753	\$872,605
2013/14	\$2,682,813	\$1,225,407	\$1,457,406	0.757	\$1,103,762
2014/15	\$4,179,647	\$1,476,079	\$2,703,568	0.763	\$2,062,045
2015/16	\$7,417,824	\$1,852,708	\$5,565,116	0.769	\$4,278,080
2016/17	<u>\$2,102,959</u>	<u>\$252,056</u>	<u>\$1,850,903</u>	0.774	<u>\$1,433,187</u>
Totals	\$113,009,883	\$85,223,044	\$27,786,839		\$22,103,877

Column (B): Exhibit 2, Sheet 3, or Exhibit 1, Sheet 1 for Pre-1986

Accident Year 2016/17 from Loss Forecast, Exhibit 3, as of 6 months

Column (C): Exhibit 1, Sheet 1, less claim payments in excess of SIR

(applicable to program years 1986 - 1988, 1999 - 2002, and 2004)

Column (D): Column (B) - Column (C)

Column (E): Appendix C

Column (F): Column (D) x Column (E)

DISC_OS.XLS

Gary R. Abramson, Casualty Actuarial Services

25-Sep-16

The City of Scranton
Worker's Compensation

Exhibit 5

Projection of Annual Expenditure Amounts
Calendar Year 2017

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Accident Year	Unlimited Ultimate Losses	Accident Year Age (in months) at 12/31/16	Ultimate Paid Loss Development Factor	Percentage Paid As of at 12/31/16	Percentage of Losses Paid in Upcoming 12 Months	Anticipated Losses & ALAE Paid in Upcoming 12 Months
Pre - 1986	\$9,494,778	418	1.107	90.3%	1.0%	\$94,948
1986/87	\$1,609,353	370	1.127	88.7%	1.0%	\$16,094
1987/88	\$2,698,052	358	1.140	87.7%	1.0%	\$27,306
1988/89	\$3,830,070	346	1.153	86.7%	1.0%	\$37,888
1989/90	\$2,217,194	334	1.167	85.7%	1.0%	\$23,074
1990/91	\$3,303,676	322	1.181	84.7%	1.0%	\$33,566
1991/92	\$6,362,458	310	1.196	83.6%	1.1%	\$67,581
1992/93	\$5,966,691	298	1.211	82.6%	1.0%	\$61,807
1993/94	\$8,680,572	286	1.227	81.5%	1.1%	\$93,490
1994/95	\$2,062,495	274	1.243	80.5%	1.0%	\$21,841
1995/96	\$7,934,028	262	1.259	79.4%	1.0%	\$81,134
1996/97	\$3,095,578	250	1.275	78.4%	1.0%	\$30,861
1997/98	\$2,633,760	238	1.291	77.5%	1.0%	\$25,606
1998/99	\$2,739,844	226	1.309	76.4%	1.0%	\$28,633
1999/00	\$2,395,539	214	1.328	75.3%	1.1%	\$27,258
2000/01	\$2,091,834	202	1.351	74.0%	1.2%	\$26,003
2001/02	\$3,029,029	190	1.376	72.7%	1.4%	\$41,280
2002/03	\$6,943,734	178	1.405	71.2%	1.5%	\$104,149
2003/04	\$2,189,735	166	1.438	69.5%	1.7%	\$36,298
2004/05	\$3,919,951	154	1.478	67.7%	1.8%	\$72,136
2005/06	\$2,041,972	142	1.524	65.6%	2.1%	\$41,920
2006/07	\$2,408,754	130	1.579	63.3%	2.3%	\$55,459
2007/08	\$2,078,844	118	1.647	60.7%	2.6%	\$53,988
2008/09	\$2,138,459	106	1.731	57.8%	2.9%	\$63,035
2009/10	\$2,082,611	94	1.838	54.4%	3.4%	\$70,149
2010/11	\$2,761,413	82	1.979	50.5%	3.9%	\$107,055
2011/12	\$3,387,837	70	2.172	46.0%	4.5%	\$152,328
2012/13	\$2,389,454	58	2.452	40.8%	5.3%	\$125,580
2013/14	\$2,682,813	46	2.891	34.6%	6.2%	\$166,031
2014/15	\$4,179,647	34	3.668	27.3%	7.3%	\$306,289
2015/16	\$10,741,281	22	5.379	18.6%	8.7%	\$931,975
2016/17	\$4,206,918	10	11.749	8.5%	10.1%	\$423,877
2017/18	\$4,114,712	0	N/A	0.0%	8.5%	\$350,222
Totals	\$128,412,089					\$3,798,668

Column (B): Exhibit 2, Sheet 1 or Exhibit 3 for Accident Years 2016 and 2017

Column (D): Appendix A, Sheet 5

Column (E): 1/Column (D)

Column (F): Annual Differences in Column (E)

Pre-1986 based upon factors from Appendix A, Sheet 3, 4 year prior

Column (G): Column (B) x Column (F)

\$2,848,994 @ 75%
\$3,323,826 Midpoint

Cash Forecast 2017

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

Approved
Signed

City of Terrell
Western Commission

As of December 31, 2015

ACCIDENT YEAR	12 Months	24 Months	36 Months	48 Months	60 Months	72 Months	84 Months	96 Months	108 Months	120 Months	132 Months	144 Months	156 Months	168 Months	180 Months	192 Months	204 Months	216 Months	228 Months	240 Months	252 Months	264 Months	276 Months	288 Months	300 Months
1/1/01 - 12/31/01	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/02 - 12/31/02	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/03 - 12/31/03	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/04 - 12/31/04	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/05 - 12/31/05	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/06 - 12/31/06	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/07 - 12/31/07	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/08 - 12/31/08	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/09 - 12/31/09	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/10 - 12/31/10	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
1/1/11 - 12/31/11	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

25-Sep-16

Page 1 of 1

City of Terrell, Western Commission

City of Sacramento
Weighted Average of PA Bureau of WC Paid Loss Development Factors
City of Sacramento WC Paid Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS USING "THE METHOD OF LEAST SQUARES"

[illegible]

PAID BY

09/25/15

Gary R. Abramson, Community Activation Services

ANALYSIS OF DEVELOPMENT PATTERNS
USING "THE METHOD OF LEAST SQUARES"

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		PARAMETER ESTIMATES	
X	Y	X	Y	X	Y	LN(X)	LN(Y)	X	Y	LN(X)	LN(Y)	X	Y	N	SE
12	10.064	12.00	0.94	246.0	1.447	2.48	-2.25	246.0	1.447	-2.48	2.25	246.0	1.447	8.000	0.000
24	4.731	24.00	0.44	268.0	1.932	3.18	-1.44	268.0	1.932	-3.18	1.44	268.0	1.932	147.967	1.139
36	2.629	36.00	0.21	270.0	1.009	3.53	-1.06	270.0	1.009	-3.53	0.89	270.0	1.009	1.139	0.998
48	2.092	48.00	0.08	282.0	1.033	3.87	-0.88	282.0	1.033	-3.87	0.64	282.0	1.033		
60	2.404	60.00	-0.13	294.0	1.095	4.09	-0.52	294.0	1.095	-4.09	0.34	294.0	1.095		
72	2.149	72.00	-0.27	306.0	1.022	4.28	-0.47	306.0	1.022	-4.28	0.14	306.0	1.022		
84	1.948	84.00	-0.41	318.0	1.010	4.43	-0.33	318.0	1.010	-4.43	-0.05	318.0	1.010		
96	1.813	96.00	-0.62	330.0	1.016	4.56	-0.22	330.0	1.016	-4.56	-0.31	330.0	1.016		
				342.0	1.013			342.0	1.013			342.0	1.013		
				354.0	1.011			354.0	1.011			354.0	1.011		
				366.0	1.009			366.0	1.009			366.0	1.009		
				378.0	1.007			378.0	1.007			378.0	1.007		
				390.0	1.006			390.0	1.006			390.0	1.006		
				402.0	1.005			402.0	1.005			402.0	1.005		
				414.0	1.004			414.0	1.004			414.0	1.004		
				426.0	1.004			426.0	1.004			426.0	1.004		
				438.0	1.003			438.0	1.003			438.0	1.003		
				450.0	1.002			450.0	1.002			450.0	1.002		
				462.0	1.002			462.0	1.002			462.0	1.002		
				474.0	1.002			474.0	1.002			474.0	1.002		
SUM		432.00	0.22			38.48	-7.25			-30.44	5.26				
AVERAGE		64.00	0.03			5.91	-0.91			-3.81	0.86				

PAID_FIT2.xls

01452080

GARY R. ABRAMSON, Casualty Actuarial Services

ANALYSIS OF DEVELOPMENT PATTERNS
USING THE METHOD OF LEAST SQUARES

ACTUAL VALUES		Curve: $Y = A(P)^X$ (Power Model)		Curve: $Y = 1/(1 - \exp(-AXB))$ (Weibull)		Curve: $Y = A * (100)^{B+1}$ (Inverse Power Curve)		*** SELECTED ***	
X	Y	X	Y	X	Y	X	Y	X	Y
12	10,084	10	7,450	10	11,038	10	11,749	10	11,749
24	4,721	22	5,528	22	8,456	22	5,378	22	5,378
36	3,428	34	4,030	34	3,778	34	3,666	34	3,666
48	2,892	46	3,184	46	2,967	46	2,891	46	2,891
60	2,404	58	2,631	58	2,490	58	2,452	58	2,452
72	2,148	70	2,239	70	2,177	70	2,172	70	2,172
84	1,948	82	1,957	82	1,956	82	1,979	82	1,979
96	1,813	94	1,750	94	1,792	94	1,838	94	1,838
		106	1,654	106	1,657	106	1,731	106	1,731
		118	1,474	118	1,558	118	1,647	118	1,647
		130	1,352	130	1,468	130	1,579	130	1,579
		142	1,309	142	1,423	142	1,524	142	1,524
		154	1,252	154	1,369	154	1,478	154	1,478
		166	1,205	166	1,323	166	1,439	166	1,439
		178	1,169	178	1,285	178	1,405	178	1,405
		190	1,139	190	1,252	190	1,376	190	1,376
		202	1,114	202	1,223	202	1,351	202	1,351
		214	1,094	214	1,198	214	1,328	214	1,328
		226	1,078	226	1,177	226	1,309	226	1,309
		238	1,065	238	1,156	238	1,291	238	1,291
SUM		332.00	6.22	30.48	-7.35	590.48	-5.28		
AVERAGE		54.00	0.09	3.61	-0.91	-3.81	0.68		
		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES	
		N=	8,000	N=	8,000	N=	8,000	N=	8,000
		A=	10.864	A=	0.010	A=	147.967	A=	147.967
		B=	0.966	B=	0.950	B=	1.139	B=	1.139
		R^2=	0.881	R^2=	0.994	R^2=	0.990	R^2=	0.990

PAYOUTS.XLS

08/28/16

Gary R. Abromson, Casualty Actuarial Services

Clipp of 6 pages
Herald-Examiner

[illegible]ACIDENT
YEAR

1234	2435	3536	4537	5538	6539	7540	8541	9542	10543	11544	12545	13546	14547	15548	16549	17550	18551	19552	20553	21554	22555	23556	24557	25558	26559	27560	28561	29562	30563	31564	32565	33566	34567	35568	36569	37570	38571	39572	40573	41574	42575	43576	44577	45578	46579	47580	48581	49582	50583	51584	52585	53586	54587	55588	56589	57590	58591	59592	60593	61594	62595	63596	64597	65598	66599	67600	68601	69602	70603	71604	72605	73606	74607	75608	76609	77610	78611	79612	80613	81614	82615	83616	84617	85618	86619	87620	88621	89622	90623	91624	92625	93626	94627	95628	96629	97630	98631	99632	100633	101634	102635	103636	104637	105638	106639	107640	108641	109642	110643	111644	112645	113646	114647	115648	116649	117650	118651	119652	120653	121654	122655	123656	124657	125658	126659	127660	128661	129662	130663	131664	132665	133666	134667	135668	136669	137670	138671	139672	140673	141674	142675	143676	144677	145678	146679	147680	148681	149682	150683	151684	152685	153686	154687	155688	156689	157690	158691	159692	160693	161694	162695	163696	164697	165698	166699	167700	168701	169702	170703	171704	172705	173706	174707	175708	176709	177710	178711	179712	180713	181714	182715	183716	184717	185718	186719	187720	188721	189722	190723	191724	192725	193726	194727	195728	196729	197730	198731	199732	200733	201734	202735	203736	204737	205738	206739	207740	208741	209742	210743	211744	212745	213746	214747	215748	216749	217750	218751	219752	220753	221754	222755	223756	224757	225758	226759	227760	228761	229762	230763	231764	232765	233766	234767	235768	236769	237770	238771	239772	240773	241774	242775	243776	244777	245778	246779	247780	248781	249782	250783	251784	252785	253786	254787	255788	256789	257790	258791	259792	260793	261794	262795	263796	264797	265798	266799	267800	268801	269802	270803	271804	272805	273806	274807	275808	276809	277810	278811	279812	280813	281814	282815	283816	284817	285818	286819	287820	288821	289822	290823	291824	292825	293826	294827	295828	296829	297830	298831	299832	300833	301834	302835	303836	304837	305838	306839	307840	308841	309842	310843	311844	312845	313846	314847	315848	316849	317850	318851	319852	320853	321854	322855	323856	324857	325858	326859	327860	328861	329862	330863	331864	332865	333866	334867	335868	336869	337870	338871	339872	340873	341874	342875	343876	344877	345878	346879	347880	348881	349882	35

Qual Trimestre

Only R, Abnormal, Causality Actualized, Same

ANALYSIS OF DEVELOPMENT PATTERNS
USING "THE METHOD OF LEAST SQUARES"

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	LN(LN(Y))	X	Y	LN(X)	Double Log [Y/(X-1)]	X	Y	LN(X)	LN(Y)	X	Y	LN(X)	LN(Y)	X	Y
Curve: $Y = A^X (B^X)^X$ (Power Model)																	
12	3,930	12.00	0.31	120.0	1.009	2.48	-1.23	120	1.010	-2.48	1.08	120	1.062	-2.48	1.08	120	1.070
24	1,944	24.00	-0.41	132.0	1.005	3.18	-0.32	132	1.008	-3.18	-0.06	132	1.044	-3.18	-0.06	132	1.006
36	1,493	36.00	-0.91	144.0	1.003	3.53	0.10	144	1.003	-3.53	-0.71	144	1.038	-3.53	-0.71	144	1.008
48	1,260	48.00	-1.47	156.0	1.002	3.87	0.48	156	1.002	-3.87	-1.25	156	1.033	-3.87	-1.25	156	1.002
60	1,164	60.00	-1.88	168.0	1.001	4.09	0.67	168	1.001	-4.09	-1.51	168	1.028	-4.09	-1.51	168	1.001
				180.0	1.001			180	1.001			180	1.023			180	1.001
				192.0	1.000			192	1.000			192	1.020			192	1.000
				204.0	1.000			204	1.000			204	1.018			204	1.000
				216.0	1.000			216	1.000			216	1.016			216	1.000
				228.0	1.000			228	1.000			228	1.017			228	1.000
				240.0	1.000			240	1.000			240	1.015			240	1.000
				252.0	1.000			252	1.000			252	1.014			252	1.000
				264.0	1.000			264	1.000			264	1.013			264	1.000
				276.0	1.000			276	1.000			276	1.012			276	1.000
				288.0	1.000			288	1.000			288	1.011			288	1.000
				300.0	1.000			300	1.000			300	1.010			300	1.000
				312.0	1.000			312	1.000			312	1.010			312	1.000
				324.0	1.000			324	1.000			324	1.009			324	1.000
				336.0	1.000			336	1.000			336	1.008			336	1.000
				348.0	1.000			348	1.000			348	1.008			348	1.000
SUM		180.00	24.35			17.21	-0.32			17.21	-2.65			17.21	-2.65		
AVERAGE		36.00	-0.87			3.44	-0.06			3.44	-0.57			3.44	-0.57		
		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES	
		N=	5,000	N=	5,000	N=	5,000	N=	5,000	N=	5,000	N=	5,000	N=	5,000	N=	5,000
		A=	8.937	A=	0.016	A=	0.016	A=	0.016	A=	0.016	A=	0.016	A=	0.016	A=	0.016
		B=	0.958	B=	1.180	B=	1.180	B=	1.180	B=	1.180	B=	1.180	B=	1.180	B=	1.180
		R ² =	0.991	R ² =	0.988	R ² =	0.988	R ² =	0.988	R ² =	0.988	R ² =	0.988	R ² =	0.988	R ² =	0.988

CITY_RPTD_FIT_TAIL.xls

08/25/16

Gary R. Anderson, Casualty Actuarial Services

The City of Scranton
Weighted Average of PA Bureau of WC Incurred Loss Development Factors
City of Scranton WC Incurred Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS
USING THE METHOD OF LEAST SQUARES*

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	LN(Y)	X	Y	LN(X)	Double Log LN(Y-1)	X	Y	LN(X)	LN(Y-1)	X	Y	LN(X)	LN(Y-1)	X	Y
12	9,520	19.00	0.25	5.0	2,887	2.48	-1.13	5.0	6,283	2.48	0.98	5.0	6,503	-2.48	0.98	5.0	8,503
24	2,036	24.00	-0.34	18.0	2,282	3.18	-0.39	18.0	2,531	3.18	0.04	18.0	2,504	-3.18	0.04	18.0	2,804
39	1,846	36.00	-0.59	30.0	1,800	3.58	-0.07	30.0	1,887	3.58	-0.43	30.0	1,818	-3.58	-0.43	30.0	1,816
48	1,426	48.00	-1.04	42.0	1,047	3.87	0.19	42.0	1,595	3.87	-0.85	42.0	1,545	-3.87	-0.85	42.0	1,545
60	1,320	60.00	-1.23	64.0	1,418	4.09	0.35	64.0	1,426	4.09	-1.14	64.0	1,404	-4.09	-1.14	64.0	1,404
72	1,282	72.00	-1.38	68.0	1,353	4.28	0.46	68.0	1,322	4.28	-1.23	68.0	1,318	-4.28	-1.23	68.0	1,318
84	1,257	84.00	-1.48	78.0	1,265	4.43	0.58	78.0	1,249	4.43	-1.38	78.0	1,250	-4.43	-1.38	78.0	1,250
96	1,217	96.00	-1.63	90.0	1,201	4.56		90.0	1,185	4.56	-1.53	90.0	1,219	-4.56	-1.53	90.0	1,219
		102.0	1.163	102.0	1,163			102.0	1,167			102.0	1,169			102.0	1,169
		114.0	1.117	114.0	1,117			114.0	1,127			114.0	1,165			114.0	1,165
		128.0	1.090	128.0	1,090			128.0	1,104			128.0	1,146			128.0	1,146
		138.0	1.089	138.0	1,089			138.0	1,096			138.0	1,131			138.0	1,131
		160.0	1.058	160.0	1,058			160.0	1,071			160.0	1,119			160.0	1,119
		182.0	1.041	182.0	1,041			182.0	1,058			182.0	1,108			182.0	1,108
		174.0	1.032	174.0	1,032			174.0	1,042			174.0	1,099			174.0	1,099
		185.0	1.025	185.0	1,025			185.0	1,050			185.0	1,092			185.0	1,092
		198.0	1.019	198.0	1,019			198.0	1,035			198.0	1,085			198.0	1,085
		210.0	1.015	210.0	1,015			210.0	1,030			210.0	1,079			210.0	1,079
		232.0	1.012	232.0	1,012			232.0	1,025			232.0	1,074			232.0	1,074
		234.0	1.008	234.0	1,008			234.0	1,021			234.0	1,070			234.0	1,070
SUM		432.00	-7.57			30.45	0.36			30.45	-5.56			30.45	-5.56		
AVERAGE		64.00	-0.95			3.81	0.04			3.81	-0.69			3.81	-0.69		
		PARAMETER ESTIMATES				PARAMETER ESTIMATES				PARAMETER ESTIMATES				PARAMETER ESTIMATES			
		N =	8,000	N =	3,009	N =	0.050	N =	8,000	N =	0.050	N =	8,000	N =	0.050	N =	8,000
		A =	3.327	A =	0.878	A =	0.799	A =	0.050	A =	0.799	A =	47.857	A =	1.797	A =	47.857
		B =	0.878	B =	0.911	B =		B =		B =		B =		B =		B =	
		R ² =		R ² =		R ² =		R ² =	0.978	R ² =		R ² =	0.993	R ² =		R ² =	

REPORT: FITS

09/25/18

Gary R. Alvarado, Casualty Actuarial Services

The City of Scranton
Weighted Average of PA Bureau of WC Incurred Loss Development Factors
City of Scranton WC Incurred Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS
USING "THE METHOD OF LEAST SQUARES"

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	Y	X	Y	LN(X)	Y	X	Y	LN(X)	Y	X	Y	LN(X)	Y	X	Y
12	3,620	12.00	0.25	246.0	1.007	2.48	-1.19	246.0	1.013	-2.48	0.98	246.0	1.065	-2.48	0.98	246.0	1.065
24	2,086	24.00	-0.34	258.0	1.005	3.18	-0.39	258.0	1.018	-3.18	0.94	258.0	1.062	-3.18	0.94	258.0	1.062
36	1,848	36.00	-0.69	270.0	1.004	3.58	-0.67	270.0	1.013	-3.58	0.85	270.0	1.059	-3.58	0.85	270.0	1.059
48	1,428	48.00	-1.04	282.0	1.003	3.87	-1.01	282.0	1.011	-3.87	0.85	282.0	1.056	-3.87	0.85	282.0	1.056
60	1,320	60.00	-1.28	294.0	1.003	4.09	-1.28	294.0	1.010	-4.09	-1.14	294.0	1.053	-4.09	-1.14	294.0	1.053
72	1,292	72.00	-1.35	306.0	1.002	4.26	-1.35	306.0	1.008	-4.26	-1.23	306.0	1.051	-4.26	-1.23	306.0	1.051
84	1,257	84.00	-1.48	318.0	1.002	4.45	-1.48	318.0	1.007	-4.45	-1.36	318.0	1.048	-4.45	-1.36	318.0	1.048
96	1,217	96.00	-1.63	330.0	1.001	4.56	-1.63	330.0	1.006	-4.56	-1.53	330.0	1.046	-4.56	-1.53	330.0	1.046
				342.0	1.001			342.0	1.005			342.0	1.044			342.0	1.044
				354.0	1.001			354.0	1.004			354.0	1.043			354.0	1.043
				366.0	1.001			366.0	1.004			366.0	1.041			366.0	1.041
				378.0	1.000			378.0	1.003			378.0	1.039			378.0	1.039
				390.0	1.000			390.0	1.003			390.0	1.037			390.0	1.037
				402.0	1.000			402.0	1.003			402.0	1.035			402.0	1.035
				414.0	1.000			414.0	1.002			414.0	1.034			414.0	1.034
				426.0	1.000			426.0	1.002			426.0	1.033			426.0	1.033
				438.0	1.000			438.0	1.002			438.0	1.032			438.0	1.032
				450.0	1.000			450.0	1.001			450.0	1.031			450.0	1.031
				462.0	1.000			462.0	1.001			462.0	1.030			462.0	1.030
				474.0	1.000			474.0	1.001			474.0	1.030			474.0	1.030
SUM		482.00	-7.57			30.48	0.35			30.48	-5.55			30.48	-5.55		
AVERAGE		54.00	-0.95			3.81	0.04			3.81	-0.69			3.81	-0.69		

RPTD FITTED

08/25/16

Gary R. Ahlstrom, Casualty Actuarial Services

The City of Scranton
PA Bureau of WC - Reported Claim Development Factors, Public Administration
ANALYSIS OF DEVELOPMENT PATTERNS
USING "THE METHOD OF LEAST SQUARES"

Appendix A
Sheet 10

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y
Cumulative Monthly Dev Factor																	
18	1.087	18.00	-2.73	8.0	1.146	8.0	2.89	8.0	1.270	8.0	2.393	8.0	1.270	8.0	2.393	8.0	1.270
30	1.012	30.00	-4.46	20.0	1.044	20.0	3.40	20.0	1.046	20.0	3.40	20.0	1.046	20.0	3.40	20.0	1.046
42	1.006	42.00	-5.20	32.0	1.013	32.0	3.74	32.0	1.013	32.0	3.74	32.0	1.013	32.0	3.74	32.0	1.013
54	1.002	54.00	-5.48	44.0	1.004	44.0	3.98	44.0	1.004	44.0	3.98	44.0	1.004	44.0	3.98	44.0	1.004
66	1.001	66.00	-5.63	56.0	1.001	56.0	4.19	56.0	1.001	56.0	4.19	56.0	1.001	56.0	4.19	56.0	1.001
				68.0	1.000	68.0	4.22	68.0	1.000	68.0	4.22	68.0	1.000	68.0	4.22	68.0	1.000
				80.0	1.000	80.0	4.38	80.0	1.000	80.0	4.38	80.0	1.000	80.0	4.38	80.0	1.000
				92.0	1.000	92.0	4.52	92.0	1.000	92.0	4.52	92.0	1.000	92.0	4.52	92.0	1.000
				104.0	1.000	104.0	4.64	104.0	1.000	104.0	4.64	104.0	1.000	104.0	4.64	104.0	1.000
				116.0	1.000	116.0	4.76	116.0	1.000	116.0	4.76	116.0	1.000	116.0	4.76	116.0	1.000
				128.0	1.000	128.0	4.86	128.0	1.000	128.0	4.86	128.0	1.000	128.0	4.86	128.0	1.000
				140.0	1.000	140.0	4.94	140.0	1.000	140.0	4.94	140.0	1.000	140.0	4.94	140.0	1.000
				152.0	1.000	152.0	5.02	152.0	1.000	152.0	5.02	152.0	1.000	152.0	5.02	152.0	1.000
				164.0	1.000	164.0	5.09	164.0	1.000	164.0	5.09	164.0	1.000	164.0	5.09	164.0	1.000
				176.0	1.000	176.0	5.16	176.0	1.000	176.0	5.16	176.0	1.000	176.0	5.16	176.0	1.000
				188.0	1.000	188.0	5.23	188.0	1.000	188.0	5.23	188.0	1.000	188.0	5.23	188.0	1.000
				200.0	1.000	200.0	5.29	200.0	1.000	200.0	5.29	200.0	1.000	200.0	5.29	200.0	1.000
				212.0	1.000	212.0	5.35	212.0	1.000	212.0	5.35	212.0	1.000	212.0	5.35	212.0	1.000
				224.0	1.000	224.0	5.40	224.0	1.000	224.0	5.40	224.0	1.000	224.0	5.40	224.0	1.000
				236.0	1.000	236.0	5.45	236.0	1.000	236.0	5.45	236.0	1.000	236.0	5.45	236.0	1.000
SUM		210.00	-25.40				18.21										
AVERAGE			-5.23				3.64										
														</			

The City of Scranton
Weighted Average of PA Bureau of WC Incurred Loss Development Factors
City of Scranton WC Incurred Loss Development Factors

ANALYSIS OF DEVELOPMENT PATTERNS
USING THE METHOD OF LEAST SQUARES

ACTUAL VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES		TRANSFORMED VALUES		FITTED VALUES	
X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y	X	Y
12	3,620	12.00	0.25	8.0	2.764	2.48	-1.13	8.0	4.313	-2.48	0.96	8.0	4.971	8.0	4.971	8.0	4.971
24	2,036	24.00	-0.34	20.0	2.205	3.18	-0.39	20.0	2.375	-3.18	0.04	20.0	2.326	20.0	2.326	20.0	2.326
36	1,648	36.00	-0.69	32.0	1.850	3.58	-0.77	32.0	1.824	-3.58	-0.43	32.0	1.759	32.0	1.759	32.0	1.759
48	1,426	48.00	-1.04	44.0	1.614	3.87	-0.99	44.0	1.681	-3.87	-0.85	44.0	1.516	44.0	1.516	44.0	1.516
60	1,220	60.00	-1.23	56.0	1.451	4.09	-0.96	56.0	1.407	-4.09	-1.14	56.0	1.387	56.0	1.387	56.0	1.387
72	1,257	72.00	-1.36	68.0	1.338	4.28	-0.40	68.0	1.308	-4.28	-1.23	68.0	1.308	68.0	1.308	68.0	1.308
84	1,257	84.00	-1.48	80.0	1.253	4.43	0.46	80.0	1.239	-4.43	-1.35	80.0	1.232	80.0	1.232	80.0	1.232
96	1,217	96.00	-1.63	92.0	1.192	4.55	0.55	92.0	1.189	-4.55	-1.53	92.0	1.213	92.0	1.213	92.0	1.213
				104.0	1.145			104.0	1.152			104.0	1.184	104.0	1.184	104.0	1.184
				116.0	1.112			116.0	1.123			116.0	1.152	116.0	1.152	116.0	1.152
				128.0	1.086			128.0	1.101			128.0	1.144	128.0	1.144	128.0	1.144
				140.0	1.055			140.0	1.083			140.0	1.129	140.0	1.129	140.0	1.129
				152.0	1.051			152.0	1.069			152.0	1.117	152.0	1.117	152.0	1.117
				164.0	1.040			164.0	1.057			164.0	1.107	164.0	1.107	164.0	1.107
				176.0	1.031			176.0	1.043			176.0	1.095	176.0	1.095	176.0	1.095
				188.0	1.024			188.0	1.040			188.0	1.081	188.0	1.081	188.0	1.081
				200.0	1.018			200.0	1.034			200.0	1.064	200.0	1.064	200.0	1.064
				212.0	1.014			212.0	1.029			212.0	1.079	212.0	1.079	212.0	1.079
				224.0	1.011			224.0	1.025			224.0	1.074	224.0	1.074	224.0	1.074
				236.0	1.009			236.0	1.021			236.0	1.069	236.0	1.069	236.0	1.069

SUM	432.00	-7.57	0.03	30.48	0.03	30.48	-0.89	30.48	-0.89	30.48	-0.89	30.48	-0.89	30.48	-0.89	30.48	-0.89
AVERAGE	54.00	-0.85	0.04	3.81	0.04	3.81	-0.89	3.81	-0.89	3.81	-0.89	3.81	-0.89	3.81	-0.89	3.81	-0.89

PARAMETER ESTIMATES		PARAMETER ESTIMATES		PARAMETER ESTIMATES	
N=	8.000	N=	8.000	N=	8.000
A=	47.857	A=	0.050	A=	47.857
B=	1.187	B=	0.765	B=	1.187
R ² =	0.993	R ² =	0.976	R ² =	0.993

RPTD_FIT_CRITICAL

03/25/16

Gary R. Abruzzo, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 1

Derivation of Large Loss Critical Values

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Accident Period	Implied Trend Factor to 2017	Large Loss Definition	Maturity at 8/31/16 (months)	Reported Loss Development Factor	Reported Claim Development Factor	Large Loss Critical Reported Amount at 8/31/16
01/01/86-12/31/86	N/A	\$250,000	368	1.041	1.000	\$240,135
01/01/87-12/31/87	N/A	\$350,000	356	1.043	1.000	\$335,545
01/01/88-12/31/88	N/A	\$300,000	344	1.044	1.000	\$287,334
01/01/89-12/31/89	N/A	\$500,000	332	1.046	1.000	\$477,975
01/01/90-12/31/90	N/A	\$500,000	320	1.048	1.000	\$477,063
01/01/91-12/31/91	N/A	\$350,000	308	1.050	1.000	\$333,308
01/01/92-12/31/92	N/A	\$400,000	296	1.052	1.000	\$380,199
01/01/93-12/31/93	N/A	\$400,000	284	1.055	1.000	\$379,118
01/01/94-12/31/94	N/A	\$350,000	272	1.058	1.000	\$330,788
01/01/95-12/31/95	N/A	\$500,000	260	1.061	1.000	\$471,218
01/01/96-12/31/96	N/A	\$500,000	248	1.065	1.000	\$469,449
01/01/97-12/31/97	N/A	\$400,000	236	1.069	1.000	\$374,154
01/01/98-12/31/98	N/A	\$400,000	224	1.074	1.000	\$372,602
01/01/99-12/31/99	N/A	\$250,000	212	1.079	1.000	\$231,794
01/01/00-12/31/00	N/A	\$250,000	200	1.084	1.000	\$230,581
01/01/01-12/31/01	N/A	\$250,000	188	1.091	1.000	\$229,212
01/01/02-12/31/02	N/A*	\$300,000	176	1.098	1.000	\$273,189
01/01/03-12/31/03	N/A*	\$350,000	164	1.107	1.000	\$316,227
01/01/04-12/31/04	N/A*	\$400,000	152	1.117	1.000	\$358,112
01/01/05-12/31/05	N/A*	\$500,000	140	1.129	1.000	\$442,842
01/01/06-12/31/06	N/A	\$750,000	128	1.144	1.000	\$655,771
01/01/07-12/31/07	N/A	\$750,000	116	1.162	1.000	\$645,623
01/01/08-12/31/08	N/A	\$750,000	104	1.184	1.000	\$633,306
01/01/09-12/31/09	N/A	\$750,000	92	1.213	1.000	\$618,081
01/01/10-12/31/10	N/A	\$800,000	80	1.252	1.000	\$638,764
01/01/11-12/31/11	N/A	\$800,000	68	1.306	1.000	\$612,107
01/01/12-12/31/12	N/A	\$800,000	56	1.387	1.001	\$576,244
01/01/13-12/31/13	N/A	\$800,000	44	1.516	1.004	\$525,719
01/01/14-12/31/14	N/A	\$800,000	32	1.755	1.013	\$450,070
01/01/15-12/31/15	N/A	\$800,000	20	2.326	1.048	\$328,170
01/01/16-12/31/16	N/A	\$800,000	8	4.971	1.270	\$126,743

Note(*): retention increased from \$250,000 to \$300,000 effective 10/17/01, then to \$350,000 10/17/02, and then to \$400,000 effective 10/17/03. At 10/17/04, the SFR increased to \$500,000 and then \$1,500,000 from 10/17/05 to 12/1/05 and then decreased to \$750,000 through the 1/1/09 renewal.

Column (B): Appendix A, Sheet 11; runoff 1996 and prior

Column (F): Appendix A, Sheet 10

Column (G): Column (C) / Column (E) / Column (F)

CRTLV.XLS

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 2

Summary of Critical Value Disability Losses
As of August 31, 2016

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Named Insured	Medical Paid	Indemnity Paid	Expense Paid	Total Paid	Outstanding Reserves	Total Incurred	Large Loss Critical Reported Amount
03/01/86-02/28/87								
03/01/86	SABLE	\$2,394	\$396,722	\$6,832	\$407,948	\$117,732	\$525,680	\$240,135
07/01/86	MOGEE	\$6,213	\$429,029	\$21,743	\$456,984	\$41,809	\$498,793	\$240,135
01/09/87	HOBAN	\$48,817	\$413,963	\$50,038	\$512,818	\$0	\$512,818	\$335,545
	3 Claims				\$1,377,750	\$159,541	\$1,537,291	
02/01/87-02/28/88								
08/04/87	KERRIGAN	\$175,284	\$433,507	\$20,433	\$529,224	\$33,950	\$563,174	\$335,545
08/09/87	ROSS III	\$8,995	\$368,392	\$2,022	\$379,410	\$0	\$379,410	\$335,545
08/15/87	NOVAK	\$15,304	\$371,897	\$15,027	\$402,228	\$0	\$402,228	\$335,545
09/01/87	GENOVESE	\$166,035	\$484,785	\$23,011	\$573,831	\$0	\$573,831	\$335,545
	4 Claims				\$2,054,692	\$33,950	\$2,118,642	
03/01/88-02/28/89								
05/06/88	MCGOWAN	\$17,515	\$485,405	\$15,655	\$528,575	\$179,920	\$708,496	\$287,334
07/14/88	TASSEY	\$3,990	\$263,035	\$3,038	\$270,063	\$131,621	\$402,284	\$287,334
07/17/88	RESCIGNO	\$0	\$194,168	\$3,372	\$197,539	\$360,980	\$558,519	\$287,334
08/13/88	MCHALE	\$31,714	\$300,486	\$23,443	\$355,642	\$0	\$355,642	\$287,334
01/14/89	HOFFMAN	\$32,119	\$554,820	\$17,587	\$594,526	\$82,462	\$676,988	\$477,975
	5 Claims				\$1,966,947	\$754,983	\$2,721,930	
03/01/89-02/28/90								
02/16/90	ABDA	\$4,805	\$445,732	\$1,560	\$452,098	\$50,872	\$502,970	\$477,063
	1 Claim				\$462,098	\$60,872	\$502,970	
03/01/90-02/28/91								
06/26/90	JONES	\$0	\$505,238	\$12,695	\$517,934	\$357,829	\$875,763	\$477,063
12/30/90	BENTLER	\$68,963	\$444,556	\$30,505	\$552,773	\$35,453	\$588,226	"Pappy
	2 Claims				\$1,070,707	\$393,282	\$1,463,989	Plant"

LgLosses.xls

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 3

Summary of Critical Value Disability Losses
As of August 31, 2016

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Named Insured	Medical Paid	Indemnity Paid	Expense Paid	Total Paid	Outstanding Reserve	Total Incurred	Large Loss Critical Reported Amount
03/01/91-02/28/92	8 Claims							
06/08/91	PRICE	\$23,868	\$338,384	\$1,956	\$364,188	\$78,420	\$442,608	\$333,308
07/19/91	WHALEN	\$138,044	\$295,115	\$18,444	\$451,602	\$0	\$451,602	\$333,308
07/24/91	MALINOWSKI	\$58,782	\$484,855	\$45,098	\$568,534	\$157,532	\$726,066	\$333,308
08/01/91	PETRINI	\$1,720	\$404,049	\$6,897	\$411,566	\$59,370	\$471,036	\$333,308
08/21/91	HARVEY	\$119,714	\$322,891	\$58,992	\$501,597	\$0	\$501,597	\$333,308
09/08/91	HUBSHMAN	\$13,294	\$398,781	\$51,227	\$473,302	\$0	\$473,302	\$333,308
11/05/91	SEYMOUR	\$96,312	\$512,215	\$21,388	\$629,916	\$111,190	\$741,106	\$333,308
02/07/92	BIDWELL	\$0	\$395,914	\$9,218	\$405,133	\$0	\$405,133	\$380,199
	8 Claims				\$3,805,937	\$406,512	\$4,212,449	
03/01/92-02/28/93	4 Claims							
08/02/92	DAVIS, B.	\$123,164	\$381,864	\$38,082	\$543,111	\$0	\$543,111	\$380,199
08/26/92	GRISKO	\$72,664	\$536,788	\$31,122	\$639,573	\$74,196	\$713,769	\$380,199
10/14/92	MONAHAN	\$34,940	\$644,818	\$77,566	\$757,324	\$7,914	\$765,238	\$380,199
11/29/92	DAVIS, Wm.	\$90,017	\$403,035	\$58,560	\$551,613	\$0	\$551,613	\$380,199
	4 Claims				\$2,481,620	\$82,110	\$2,563,730	
03/01/93-02/28/94	9 Claims							
03/04/93	POWELL	\$132,188	\$608,882	\$91,864	\$832,934	\$74,535	\$907,469	\$379,118
04/16/93	CONLON	\$77,228	\$566,572	\$19,034	\$662,834	\$47,123	\$709,957	\$379,118
05/02/93	WASYLYNIAK	\$59,871	\$470,549	\$27,214	\$557,734	\$0	\$557,734	\$379,118
05/14/93	JEFFERS	\$31,885	\$318,155	\$36,513	\$387,553	\$0	\$387,553	\$379,118
06/22/93	PALUTIS	\$76,477	\$390,796	\$48,169	\$515,442	\$0	\$515,442	\$379,118
07/09/93	ARMFIELD	\$11,005	\$553,412	\$16,879	\$581,296	\$86,460	\$667,746	\$379,118
07/24/93	CRAWLEY	\$34,855	\$345,596	\$42,994	\$423,245	\$0	\$423,245	\$379,118
08/11/93	DAFFARO	\$49,843	\$488,507	\$3,681	\$542,231	\$68,074	\$610,305	\$379,118
01/19/94	BURRIER	\$59,239	\$256,436	\$31,406	\$346,081	\$0	\$346,081	\$330,768
	9 Claims				\$4,859,349	\$276,182	\$5,135,531	

25-Sep-16

LgLosses.xls

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 4

Summary of Critical Value Disability Losses
As of August 31, 2016

(A) Date of Loss	(B) Named Insured	(C) Medical Paid	(D) Indemnity Paid	(E) Expense Paid	(F) Total Paid	(G) Outstanding Reserves	(H) Total - Insured	(I) Large Loss Critical Reported Amount
07/20/95	MCGINNIS	\$91,758	\$494,787	\$40,216	\$626,771	\$0	\$626,771	\$471,218
08/23/96	DERMODY	\$10,151	\$625,434	\$89,771	\$705,357	\$40,561	\$745,918	\$471,218
09/18/96	ANDREJACK	\$44,124	\$369,700	\$61,612	\$459,437	\$20,392	\$479,829	\$471,218
12/07/96	HINKLEY	\$61,862	\$362,619	\$55,955	\$480,438	\$0	\$480,438	\$471,218
01/05/96	DUDZINSKI	\$57,964	\$549,209	\$50,971	\$658,144	\$33,856	\$692,000	\$469,449
	6 Claims				\$2,928,030	\$94,809	\$3,022,839	
07/24/96	DOYLE	\$586	\$458,249	\$12,317	\$469,152	\$427,516	\$896,668	\$469,449
09/04/96	MUSSO	\$178,614	\$154,800	\$45,010	\$378,324	\$157,647	\$535,971	
	2 Claims				\$647,476	\$685,163	\$1,432,639	
06/09/97	MATTICKS	\$52,307	\$275,891	\$57,074	\$395,272	\$0	\$395,272	\$374,154
	1 Claim				\$395,272	\$0	\$395,272	
08/24/98	CORBY	\$63,796	\$267,459	\$17,346	\$348,611	\$189,893	\$538,444	\$372,602
	1 Claim				\$348,611	\$189,893	\$538,444	
04/06/99	OTTONE	\$24,493	\$227,517	\$33,777	\$285,787	\$0	\$285,787	\$231,794
05/10/99	KLEE	\$15,904	\$209,893	\$22,015	\$247,818	\$0	\$247,818	\$231,794
01/26/00	MARTIN	\$272,273	\$89,236	\$47,084	\$408,593	\$0	\$408,593	\$230,581
	3 Claims				\$942,198	\$0	\$942,198	
06/09/00	MEDALLIS	\$103,100	\$148,552	\$30,040	\$281,692	\$0	\$281,692	\$230,581
07/13/00	WAZNAK	\$224,468	\$220,048	\$43,156	\$487,682	\$0	\$487,682	\$230,581
02/17/01	BATYKO	\$44,640	\$158,846	\$37,559	\$239,044	\$0	\$239,044	\$229,212
	3 Claims				\$1,008,418	\$0	\$1,008,418	

LgLosses.xls

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX B
Sheet 5

Summary of Critical Value Disability Losses
As of August 31, 2016

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Date of Loss	Named Insured	Medical Paid	Indemnity Paid	Expense Paid	Total Paid	Outstanding Reserve	Total Incurred	Large Loss Critical Reported Amount
03/01/01-02/28/02								
08/10/01	LANNING	\$58,527	\$219,620	\$25,557	\$301,704	\$0	\$301,704	\$229,212
08/23/01	GALELLA	\$44,321	\$184,416	\$27,920	\$256,656	\$0	\$256,656	\$229,212
02/11/02	MACKIN	\$46,184	\$221,969	\$22,869	\$291,102	\$0	\$291,102	\$273,189
02/20/02	OZOVEK	\$143,964	\$269,672	\$30,331	\$442,957	\$0	\$442,957	\$273,189
	4 Claims	(2 post 10/17/01 SIR)			\$1,292,419	\$0	\$1,292,419	
03/01/02-02/28/03								
04/15/02	FARGIONE	\$126,603	\$304,542	\$27,010	\$463,519	\$0	\$463,519	\$273,189
06/12/02	GISOLFI	\$144,885	\$294,596	\$45,856	\$485,317	\$0	\$485,317	\$273,189
07/21/02	ROSAR, J.	\$79,913	\$308,354	\$44,916	\$433,182	\$0	\$433,182	\$273,189
07/25/02	BOEZI	\$183,648	\$223,981	\$69,415	\$477,046	\$13,506	\$490,552	\$273,189
09/24/02	PIAZZA	\$43,922	\$207,269	\$26,289	\$277,480	\$0	\$277,480	\$273,189
	6 Claims	(all pre 10/17/02)			\$2,136,543	\$13,506	\$2,150,049	
03/01/03-02/28/04								
11/25/03	MALONE	\$4,886	\$256,212	\$8,325	\$269,423	\$418,880	\$688,103	\$361,402
	1 Claim	(1 post 10/16/03 SIR)			\$269,423	\$418,880	\$688,103	
03/01/04-02/28/05								
06/24/04	EIBACH	\$155,654	\$284,209	\$58,192	\$498,055	\$0	\$498,055	\$358,112
09/19/04	MCINTYRE	\$149,519	\$236,458	\$20,023	\$417,202	\$0	\$417,202	\$358,112
	2 Claims	(pre 10/17/04)			\$915,257	\$0	\$915,257	
03/01/06-02/28/07								
09/12/06	SVETOVICH	\$135,026	\$242,684	\$94,587	\$472,297	\$196,196	\$668,493	\$665,771
	1 Claim				\$472,297	\$196,196	\$668,493	
03/01/15-02/28/16								
07/11/16	WILDING	\$93,143	\$56,381	\$4,540	\$154,063	\$1,797,651	\$1,951,614	\$328,170
11/28/16	PIERSON	\$327,083	\$27,117	\$8,788	\$360,988	\$72,558	\$433,546	\$328,170
	2 Claims				\$515,051		\$2,385,160	

LgLosses.xls

25-Sep-16

Gary R. Abramson, Casualty Actuarial Services

The City of Scranton
Workers' Compensation

APPENDIX C

Derivation of Discount Factors as of 8/31/16

(A)	(B)	(C) Cumulative Paid Loss Development Factor	(D) % Losses Paid at 8/31/16	(E) Midpoint Upcoming Period	(F) % Losses Paid Upcoming Period	(G) Column(F) Discounted	(H) Discount Rate(%)
Accident Period	Maturity in Years at 8/31/16						
2016/2017	0.50	20.231	4.9%	1.0	10.4%	0.102	0.774
2015/2016	1.50	6.504	15.4%	2.0	9.2%	0.087	0.761
2014/2015	2.50	4.076	24.5%	3.0	7.8%	0.071	0.759
2013/2014	3.50	3.097	32.3%	4.0	6.5%	0.059	0.755
2012/2013	4.50	2.575	38.8%	5.0	5.6%	0.048	0.755
2011/2012	5.50	2.253	44.4%	6.0	4.7%	0.040	0.750
2010/2011	6.50	2.036	49.1%	7.0	4.1%	0.034	0.748
2009/2010	7.50	1.880	53.2%	8.0	3.6%	0.028	0.747
2008/2009	8.50	1.763	56.7%	9.5	5.8%	0.045	0.744
	10.50	1.600	62.5%	11.5	4.5%	0.033	0.752
	12.50	1.492	67.0%	13.5	3.6%	0.025	0.752
	14.50	1.416	70.6%	15.5	3.0%	0.019	0.757
	16.50	1.359	73.5%	17.5	2.5%	0.015	0.798
	18.50	1.315	76.0%	19.5	2.7%	0.016	0.820
	20.50		78.8%	21.5	3.0%	0.017	0.849
	22.50		81.7%	23.5	3.3%	0.017	0.875
	24.50		85.0%	25.5	3.6%	0.018	0.901
	26.50		88.6%	27.5	4.0%	0.019	0.922
	28.50		92.6%	29.5	4.4%	0.020	0.952
	30.50		96.9%	31.5	3.1%	0.013	1.000
ULT	32.50	1.000	100.0%				

Annual Interest Rate: 2.75%

Column(C): Appendix A, Sheet 4

Column(D): 1 / Column(C)

Column(E): [Column (B), current line + Column (B), next line] / 2

Column(F): Column (D), next line - Column (D), current line

with runoff after 19 years based upon an annual increase of 10% over prior period

Column(G): Column(F) x [1 + Interest Rate]ⁿ / [-Column(E)]

Column(H): [1 + Interest Rate]ⁿ [Column(B)] / [1 - Column(D)] x [Upward Sum, Column(G)]

DFAXXLS

25-Sep-16



TPA & Risk Services for Workers' Compensation

Presented to:



Closing Date: February 13, 2017 at 10:00 a.m.

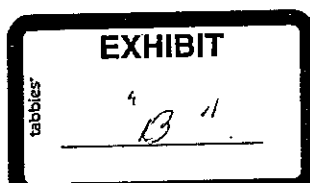
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340 North Washington Avenue
Scranton, PA 18503

Re: Request for Qualifications for Third Party Administrative (TPA) Services Workers Compensation

Dear Ms. Boyles:

Thank you for the opportunity to submit this proposal for your consideration. As the current Workers' Compensation TPA for The City of Scranton, our proposal focuses on demonstrating our positive results over the previous four years and our plan to sustain, at a competitive price, the results The City of Scranton expects from PMA. Here are some of the highlights of your program:

- 100 years of Claims Management Expertise
- 95% Client Satisfaction from all recent Client Surveys
- 95% Clients Would Recommend PMA
- Proven Workers' Compensation claims model
- PA WC Municipal/Heart and Lung Expertise
- 86% Closure Rate for Lost Time and Medical Only Claims
- 64% Takeover Closure Rate
- 63% Medical Savings
- 37% Pharmacy Savings
- 61% PPO Penetration Rate
- \$1,186,799 Recoveries since 2013
- Reporting Time 5 Days or Less
- 97% Online Reporting
- Average Paid per Lost Time Claim - \$32,085
- In-house Risk Control Specialists & Nurse Case Managers
- State-of-the-art Risk Management Information System (PMA Cinch)

We will be honored to continue as The City's business partner, and look forward to your response. Because of our familiarity with the city's people, programs, and processes, there is no learning curve with PMA as their partner. Should you have any questions about our proposal, please do not hesitate to contact me at (717) 730-8120 or by e-mail at Ryan_Sharp@pmagroup.com.

Very truly yours,



Ryan Sharp
Account Executive



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Executive Summary

We are pleased and excited to provide City of Scranton with a comprehensive proposal for your workers' compensation program. We welcome the opportunity to continue working in partnership to improve their results and exceed your service expectations. Our proposal focuses not only on the results we have achieved over the previous four years, but also our plan to sustain them and uncover new opportunities for improvement along the way

Key Result Area	City of Scranton
Lost Time & Medical Only Closure Rate 2013-2016	86%
Closure Rate Takeover Claims	64%
Lost Time Claim Closure Rates Comparison 2013-2016	67% versus 77% for PA Self Insured Municipality
Lost Time Claims Closed within 90 Days Comparison 2013-2016	13% versus 11% for PA Self Insured Municipality
2016 Payments	\$3,989,351 * Settlements total \$812,457*
All Recoveries (Subro, Excess)	\$1,186,799 Average \$296,699 per year
Medical Savings	63% or \$6,614,223 off \$10,430,424 invoiced.
% PPO on # of Bills	61%
Pharmacy Savings 2016	37% Total Savings = \$54,135
Reporting Lag Time 2016	5.3 days and 60% claims received in 3 days
Median Days	3.0 Days
Online Reporting	97%
Average Paid Per Closed Lost time	\$32,085 versus \$24,035 for PA Self Insured Municipality
Average Paid per Closed Medical Only Comparison	\$1,100 versus \$1,244 for PA Self Insured Municipality

Why PMAMC?

Key Result Area	PMA	Other TPAs
No Learning Curve	√	
Cost Saving Through Our Holistic Approach of Risk Control, Claims Management and Loss Analysis to create Best Practices	√	
Local Service Team Including: Sr. Mgmt., Acct. Mgr., Claims Supervisor, Dedicated Adjusters, Dedicated MO Adjusters, Dedicated Nurse, RC Manager, Account Executive, Call Center	√	
No interruption in injured employee benefits or transition fees	√	
No Data Transfer Issues	√	
Continued Risk Control Improvement in the area of Frequency and Severity Reduction	√	
Customized Loss Reports that assist with business decisions delivered to you in paper form and available online	√	
Benchmark Reports to compare City of Scranton performance to others	√	
Strong Financial Strength backed by Fortune 100 company	√	
Quality Assurance Specialists that analyze claims at 90 day point	√	
Nurse on staff triaging all Lost Time and higher Med-only claims	√	
Pharmaceutical Nurse on staff consulted on narcotic and high-dollar prescriptions	√	
Access to over 25 medical networks with an in-house cost containment team constantly evaluating your best options	√	
Direct access to specialty networks (Physical Therapy, Durable Medical Equipment, Diagnostic services, etc.)	√	
Dedicated Complex Bill Review unit provides line audits of targeted bills to identify fraud, waste and abuse	√	
Leverage Complex Bill Review Unit to negotiate down costs of Out of Network services	√	
4 Year track record of strong performance – stewardship results	√	

Here are some additional touch points and valued added services we have provided to City of Scranton:

We assisted the City with an excess issue with the State (previously Frontier). Several WC files that Frontier and then the State had been refusing to reimburse us even though we felt their allegations were unfounded. When all was said and done, The City was able to get the State to agree to settle out the issue for a portion of what was owed. The City handled the negotiations with the State but we provided all of the necessary information. The City recovered \$250,000.

The response time from the PMA claims team of Paul and Kim is excellent and they have a great relationship with the WC team at the City – Deb, Jack, and Jessica.

We have also provided solid outcomes for the following claims:

W001771622

W001773004

W000719200

W000719194

W000718740

Action Plan for Continuous Improvement

PMA realizes how important it is for The City of Scranton to control its workers' compensation costs. Most municipal and public entity budgets have been drastically reduced and we understand this pressure because we work with so many PA municipal self-insured clients. Our goal is to continue to assist City of Scranton in improving their workers' compensation program through loss and post-loss initiatives. At our next stewardship meeting we will demonstrate how we would like to involve our risk control team with your program so we can add the pre loss stage and have all 3 phases of the holistic approach working together. The plan listed below will enable City of Scranton to provide a quality, cost-effective workers' compensation program to its employees.

1. Continue to provide results-driven service through professional, timely, and courteous service. Our leadership team of Terry Smith (Assistant Vice President of Claims), Matt Stairs (Client Service Manager) Ryan Sharp (Account Executive), Lisa Transue (Regional Claims Supervisor), Paul Kelly (Senior Account Claims Representative) and Kim Ellis (Account Claims Representative) and Bethany Schneck (Account Claims Associate) have more than 100 combined years of Pennsylvania workers' compensation experience.
2. Your Account Manager/Client Service Manager will continue to be Matt Stairs. Terry Smith, Lisa Transue, Paul Kelly, Kim Ellis who have been involved with your organization since 2013, will continue leveraging their knowledge of the intricacies and requirements of your program. They clearly understand your expectations and know how to ensure we meet them. They will work closely with the City of Scranton team to ensure that PMA is communicating with all levels of your organization for an unparalleled ease of doing business
3. Draw from our four years of partnering with City of Scranton and our PA WC Heart and Lung experience to ensure the workers' compensation program is constantly improving. Because of our familiarity and experience with your people, processes, programs, and requirements, there is no learning curve with PMA and there will be no data conversion. We will continue to leverage our 100 years of workers' compensation experience to make improvements to your program.
4. Operate your workers' compensation program in accordance with techniques that will provide you with the best outcomes. We will be able to accomplish this plan because our claims team understands your expectations. We will provide our adjusters with fair workloads and access to your claims data via our online risk management information system. You can see your results on page 6 are very strong and we will continue to deliver strong outcomes.

Continue to build on our success through focusing on and measuring the following key result areas:

- Outstanding Reserves
- Claims Closure Rates
- Medical Savings Programs
- Claims Settlements
- Reduced Frequencies and Severities
- Subrogation and Supersedeas Recoveries

- Claims Reporting Times
 - Benchmarking in all key result areas
5. Work closely with City of Scranton in controlling every expense. For example, we suggest legal counsel involvement in quarterly claim meetings and claim conference calls in an effort to improve closure rates and reduce legal expenses.
 6. Identify areas for improvement. For example, we met with your team in February 2016 for our annual stewardship meeting and reviewed the importance of WC metrics and a formal safety program and holistic approach. We will continue to have additional recommendations for how to reduce your frequency and we will have a claims and risk control analysis at our upcoming February 2017 stewardship meeting.
 7. Allocate additional resources to ensure the program continues to improve. These additional resources include our Special Investigations Unit (SIU), Nurse Case Manager, Quality Assurance Specialist, IS Consultant, etc. These individuals can assist City of Scranton on very specific issues. For example, our SIU Team will work closely with you on pursuing workers' compensation fraud cases.
 8. Provide claims reviews when requested for specific departments/divisions; especially for key loss driver locations.
 9. Conduct annual Stewardship meetings. The purpose of these meetings is to review our results and to set goals to drive down costs. The Stewardship Report is a detailed report that focuses on financial results, benchmarking, medical savings, pending analysis, results by location, and risk management reports, etc.
 10. Provide a quality work product at every level of the organization. City of Scranton has every workers' compensation file at its fingertips through PMA Cinch, our online risk management information system. The Risk Management Office will be able to read our log notes, view action plans, review all documents, and much more.
 11. Continue aggressively pursuing fraud.
 12. We want to work with City of Scranton to design a detailed safety program that will assist with reducing the frequency and severity of claims. For more details, please refer to the Lost-Time WC Risk Profile and we will discuss in more detail at our February 2017 stewardship meeting.

Preventing WC Losses Before They Occur

Our goal is to continue to reduce your claim frequency, cost per claim, and claim-related expenses. Throughout this RFP, we will outline our "Holistic Approach" to reducing your total cost of risk. Enclosed is the workers' compensation lost-time "Risk Profile" of City of Scranton. With tools like this, we know where to direct our loss prevention efforts.

CITY OF SCRANTON - 0441006 Workers' Compensation - Lost-Time Claims Profile

Accidents 03/01/13 To 01/01/17

Claim Status: Closed, Open

Gender

Gender	# LT Claims	% of Claims	Total Incurred	Avg Incurred
MALE	125	96.2%	\$6,965,619	\$55,725
FEMALE	5	3.8%	\$168,904	\$37,781
	130	100.0%	\$7,154,523	\$55,035

Accident Cause Group

Accident Cause	# LT Claims	% of Claims	Avg Incurred
STRAIN OR INJURY BY	48	36.9%	\$47,809
FALL OR SLIP INJURY	35	26.9%	\$87,539
MISCELLANEOUS CAUSES	16	12.3%	\$50,845
CUT, PUNCTURE, SCRAPE INJURED BY	9	6.9%	\$8,792
MOTOR VEHICLE	8	6.2%	\$50,463
STRIKING AGAINST OR STEPPING ON	7	5.4%	\$24,673
CAUGHT IN OR BETWEEN	3	2.3%	\$59,846
STRUCK OR INJURED BY	3	2.3%	\$48,478
BURN OR SCALD-HEAT OR COLD EXPOSURE	1	0.8%	\$1,788
	130	100.0%	\$55,035

Age at Accident

Gender	Age at Accd	# LT Claims	% of Claims	Avg Incurred
FEMALE	35-49 Years	4	3.1%	\$19,197
	50-64 Years	1	0.8%	\$112,116
	15-24 Years	1	0.8%	\$3,230
MALE	25-34 Years	14	10.8%	\$157,312
	35-49 Years	65	50.0%	\$35,257
	50-64 Years	44	33.8%	\$55,483
	Over 65 Years	1	0.8%	\$27,033
		130	100.0%	\$55,035

Policy Yr Summary

Effective Date	# LT Claims	# Open	Total Incurred	Total Paid
03/01/13	39	1	\$1,102,617	\$1,094,722
03/01/14	28	4	\$1,544,537	\$1,432,299
03/01/15	33	12	\$3,482,027	\$1,599,744
03/01/16	30	25	\$1,025,342	\$709,819
	130	42	\$7,154,523	\$4,836,583

Top 10 Lost-Time Claims by Total Incurred

Claim Number	O/C	Acct Date	Total	Total Paid
W001470553	O	07/11/15	\$1,951,615	\$171,181
W001279105	O	08/23/14	\$243,896	\$146,046
W001203166	C	04/18/14	\$200,892	\$200,891
W001335381	C	11/25/14	\$180,745	\$180,745
W001005917	O	10/01/13	\$170,882	\$162,984
W001286757	C	09/07/14	\$169,410	\$169,410
W001469990	C	07/15/15	\$166,039	\$166,039
W001459314	C	06/16/15	\$131,614	\$131,613
W000762000	C	04/07/13	\$130,699	\$130,699
W001417196	O	04/01/15	\$123,808	\$122,693

Part of Body

Part Of Body	# LT Claims	% of Claims	Avg Incurred
LOWER BACK AREA	25	19.2%	\$40,543
KNEE	24	18.5%	\$54,312
SHOULDER(S)	12	9.2%	\$27,447
HAND	8	6.2%	\$22,923
FOOT	7	5.4%	\$16,164
ABDOMEN INCLUDING GROIN	6	4.6%	\$19,351
SOFT TISSUE	5	3.8%	\$63,201
FACIAL SOFT TISSUE	5	3.8%	\$14,866
LOWER LEG	4	3.1%	\$67,102
FINGERS	4	3.1%	\$3,852
HIP	3	2.3%	\$72,715
WRIST	3	2.3%	\$98,514
ELBOW	3	2.3%	\$19,701
UPPER ARM	2	1.5%	\$82,947
WRIST(S) & HAND(S)	2	1.5%	\$31,523
LOWER ARM	2	1.5%	\$27,112
EYE(S)	2	1.5%	\$47,545
CHEST	2	1.5%	\$21,864
SKULL	2	1.5%	\$54,413
INTERNAL ORGANS	1	0.8%	\$11,171
MULTIPLE TRUNK	1	0.8%	\$12,819
MULTIPLE HEAD INJURY	1	0.8%	\$1,951,615
BRAIN	1	0.8%	\$57,528
ANKLE	1	0.8%	\$5,548
BUTTOCKS	1	0.8%	\$70,636
DISC	1	0.8%	\$169,410
MULTIPLE NECK INJURY	1	0.8%	\$37,719
THUMB	1	0.8%	\$1,272
	130	100.0%	\$55,035

How will PMAMC Continue to Reduce City of Scranton Total Cost of Risk?

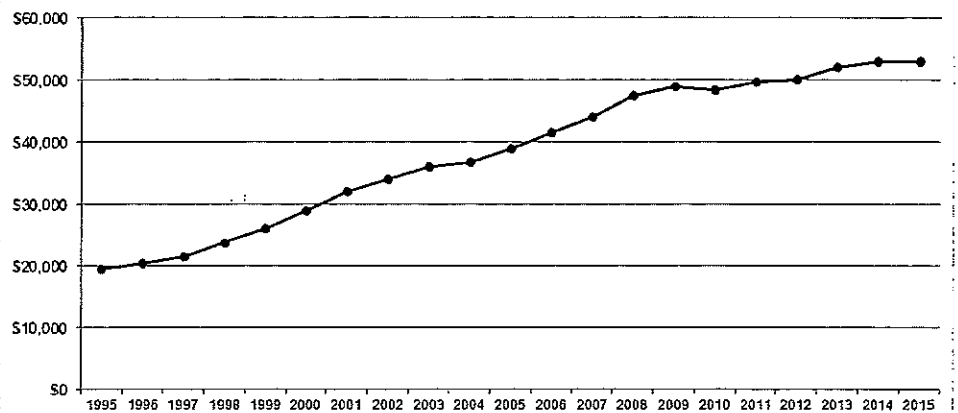
- Together we have built a solid foundation. We understand your culture; we know your philosophies and your desires, and your need to continue to reduce your total cost of risk.
- Our proposal includes a focus on pre-loss, which means reducing the frequency of your claims. Since your average closed lost-time claim is approximately \$32,085 over the last four years, we will outline how we can prevent claims from happening in the first place.
- We expect our PBM partner, Express Scripts, to increase your pharmacy savings and prevent abuse.
- We will continue our efforts with your various vendors; including legal, medical, etc. The purposes of these meetings are to ensure that every dollar is spent as efficiently as possible and to hold our partners accountable for favorable results.
- We will continue to improve your cash flow through our success in subrogation, supersedeas recoveries, etc.
- We have designed a scorecard on page 6 and several back-up reports to assist you with monitoring your key result areas and ensuring plans are in place to hit desired goals.
- We will continue our aggressive pursuit of fraud referrals to the relevant jurisdictional authorities with the anticipated goal of a successful prosecution when possible.
- We will continue to reduce interest and penalties assessed against the City of Scranton, either through proper management of the medical invoice process or through litigation management to ensure positive outcomes.
- We will continue to monitor and expand the legal audit process we collectively implemented while ensuring that the expenses of litigation are in line with what the defense counsel guidelines allow.
- We will review your panel providers to ensure that they understand their obligation to the City of Scranton employees within the confines of the Pennsylvania Workers' Compensation Act. The input from the claims team and the nurse case manager as well as the City of Scranton workers' compensation manager has been vital to assisting with any recent panel changes. We will continue to encourage their participation in this process.

Workers' compensation represents an increasingly complex and costly benefit that can have a significant impact on your bottom line and most important resource: your employees.

Workers' compensation cost and complexity are being driven by a number of factors:

- The aging of America's workforce
- A growing presence of comorbid medical conditions, such as hypertension, obesity, and diabetes impacting work injuries and recovery times
- Escalating pharmacy costs and narcotic use/abuse
- Rising inpatient and outpatient medical costs
- Changing state and federal regulatory requirements, including Electronic Data Interface (EDI) reporting requirements, Medicare Affordable Care Act, Medicare Secondary Payer, and ICD-10.

Average Cost of a Lost-time WC Claim



Source: National Council on Compensation Insurance, September 2016

PMA Companies has specialized in workers' compensation for over 100 years. That makes us uniquely positioned to help reduce your frequency and severity of claims, including indemnity and medical costs, outstanding reserves, and overall workers' compensation budget—while providing access to appropriate medical care and improving return-to-work outcomes for injured workers.

PMA is a leading provider of property and casualty third-party administration and risk services in the United States. PMA's TPA & Risk Services business client retention averages 95% and client satisfaction averages 95% per independent surveys. PMA aims to deliver tangible value every day, striving to exceed our clients' service expectations and improve their financial results.

Company Profile

About PMA Companies

PMA Companies provides risk management solutions and services in the U.S., specializing in workers' compensation and offering property and casualty insurance. Headquartered in Blue Bell, PA, PMA has over 100 years of workers' compensation experience. As part of Old Republic Companies (NYSE: ORI)—one of the nation's 50 largest publicly held insurance organizations with consolidated assets of \$17.99 billion (as of June 30, 2016)—PMA offers long-term financial strength and stability.

About PMA Management Corp.

PMA Management Corp. offers a unique, holistic approach to managing your total cost of risk and providing results-driven TPA and Risk Services. PMA Management Corp. provides complete, multi-level claims and risk management services—including claims administration for workers' compensation, commercial auto, commercial property, and general liability, as well as medical cost-containment programs and risk control services. PMA Management Corp. has been partnering with self-insured, self-insured group/trust, captive, and unbundled clients to understand their loss drivers, implement effective risk control and cost containment measures, and optimize the claims process since 1991.

Industry Expertise

Although customers in any industry can benefit from PMA Companies' unique holistic approach, we've developed particular expertise in your industry.

Our largest TPA business segment, we serve 300+ state and local governments, transit and utility authorities, K-12 schools, colleges and universities, and healthcare organizations

- City of Allentown
- City of Bethlehem
- City of Reading
- City York

Through decades of experience and research collaboration with the National Public Risk Management Association (PRIMA) organization, PMA has amassed deep insights on your workers' compensation challenges. Our recent joint PMA/PRIMA workers' compensation survey of the organization's members revealed an aging workforce, controlling claim frequency, and returning injured

About PMA Companies

- 100+ years of workers' compensation experience
- 450+ TPA clients with client retention averaging 95%
- Active member of:



- Thought leadership:
 - *Workers' Compensation Benchmarking Survey Results, Facts, and Solutions*, which highlights findings of research by URMIA and PMA Companies
 - *Zero In on Workers' Compensation Cost Drivers*, which highlights findings of research by PRIMA and PMA Companies
 - *Integrating Risk Management and Wellness Programs*
 - *Predicting and Preventing Severe Workplace Injuries*



employees to work as most public entity risk managers' top concerns. We help you manage those issues through our holistic approach to claims management—taking proactive steps for more effective loss prevention, management, and analysis. PMA's pre-loss services aim to reduce the overall frequency and costs of claims. When claims occur, our experienced adjusters and nurses work to reduce the amount of disability, while our comprehensive managed care services help reduce the overall cost of medical bills and prescription medications. PMA's online resources enable public sector risk managers to track key results and respond promptly to emerging issues in their programs. In addition, your PMA client service manager, working in concert with one of our risk control consultants, can deliver a scorecard of results with a Stewardship Report designed especially for public entities. Your mission is to serve your constituents; ours is to support your success.

Spotlight on Success *Prince William County, Virginia*

Located in northern Virginia, Prince William County provides a full range of local government services, including police, fire and rescue, court, library, and parks and recreation, to approximately 419,000 residents.

Partnership Results as of 2013

- Above-average in-network usage, driving an average of 32% savings in billed medical charges
- 71% of claims reported within 24 hours
- Return-to-Work process starts with contact with the injured worker, the medical provider, and the employer within 24 hours of receiving a claim
- The County's Risk Management Division Chief, Lori Gray, named 2013 Risk Manager of the Year by *Business Insurance*

PMA and representatives from the county meet quarterly—and sometimes more often—to discuss pending claims and strategies for moving the cases forward. This keeps the partnership on track and the county's results trending positively.



"We have an outstanding relationship with PMA. They truly develop a partnership and work with us—it's a team approach. I choose PMA year after year because they help us achieve positive results. PMA means success to me."

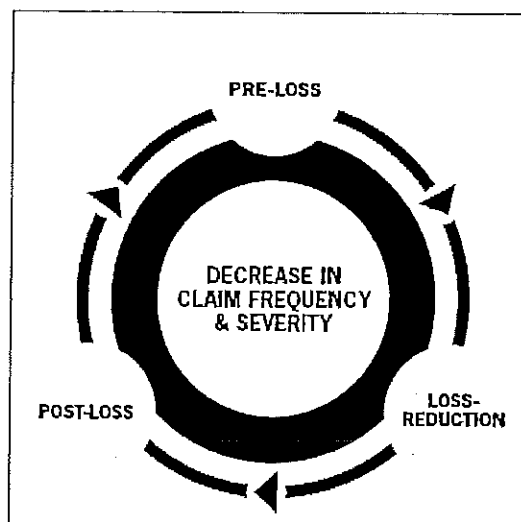
Lori Gray | Risk Management Division Chief | Prince William County

PMA's Holistic Approach to Risk Management

Unique Approach to TPA and Risk Services

PMA's holistic approach integrates three key strategies that can help you reduce the frequency and severity of your claims by focusing on risk control, claims, managed care, and risk management information services:

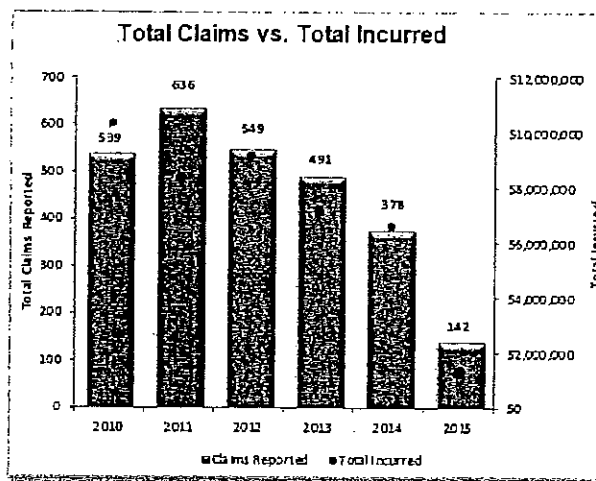
- **Pre-Loss** – Prevents claims before they occur.
- **Loss-Reduction** – Mitigates the cost of claims that do occur with timely, quality medical treatment, integrated claims and managed care services, and return-to-work programs.
- **Post-Loss** – Learn from losses that have occurred so your organization can prevent similar losses from occurring again.



Pre-Loss

We will partner with you to understand your loss drivers and implement effective risk control measures. Our pre-loss strategies typically include the following:

- **Risk Management Assessment** – We will perform an assessment of your operations and risk management program to identify your past loss exposures and opportunities for future improvements to lower frequency and severity of claims.
- **Goal Setting** – We will collaborate with you to establish goals and identify performance metrics to guide our improvement efforts.
- **Planning** – We will work with you to develop a plan to guide the improvement process and enhance results for a greater return on investment.



Sample chart tracking frequency and severity of workers' compensation claims.

PMA offers a full range of in-person and online risk control services and resources, including access to PMA Websource®, our interactive online safety and risk management portal.

Loss-Reduction

Our **claims service** is designed to aid in reducing your overall exposures and controlling your costs. Early intervention on each claim will help us manage claims to cost-effective resolutions and mitigate your exposure on all claims. Each step of our comprehensive claims management process is structured to achieve favorable results.



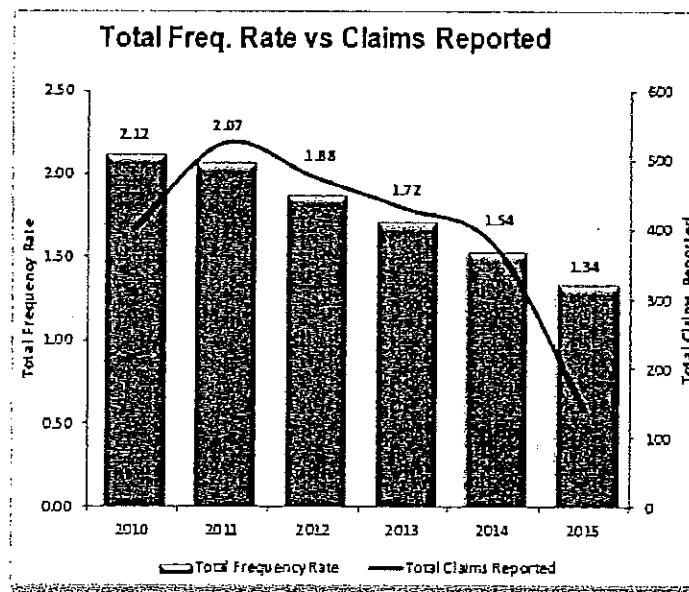
Our **managed care program**, which is fully integrated with our claims service and claims management system, focuses on:

- Predicting high-risk/high-cost claims for timely intervention
- Obtaining timely, quality care for injured workers
- Managing medical costs
- Reducing total claims costs.

PMA's managed care program includes Nurse Triage (available 24/7 Nurse Triage via PMA Care 24), Medical Bill Review, Workers' Compensation PPO & Specialty Networks, Nurse/Medical Code Examiners, Pharmacy Benefits Management, Pharmacy Nurse Intervention, Nurse Case Management, and a Utilization Review Program with Medical Peer Review.

Post-Loss

PMA will analyze your loss history, benchmark your performance against your peer group (where possible) and industry results, and report back to you through our stewardship reporting process. More important, we explain ways to improve your program and implement best practices. Our goal is to help you develop best practices that enhance your program and facilitate timely claims intervention.



Sample chart tracking worker's compensation claims frequency rate.

With a robust collection of workers' compensation claims data in an enterprise-wide data warehouse, we are able to benchmark your results against organizations in our database and often against other entities within your industry. We can drill down to benchmark the performance of each location, providing valuable insights into relative strengths and opportunities for improvement. Additionally, we are able to quantify the potential financial impact of loss trends and continually monitor performance improvements over time. All of this information is presented to you using leading edge data visualization tools from Qlik.

QView v4 - [D:\Sub\JL\Pd Aged 2015.Pdw] View

File Edit View Selection Layout Settings Bookmarks Reports Tools Object Window Help

[Icons]

Clear Back Forward Lock Unlock

Sheets Main

Main Sheet

Medical Service C...

- Diagnostics
- Physical Therapy
- DME/Supplies
- Care Management
- Comprehensive Care
- Doctor
- Home Health Services
- Hospital
- Nursing Home Admission
- Other
- Pharmacy
- Preventive Care
- Radiology

Supervisor L...

- Jaham
- Kilgus
- Lippman-Davis
- Shelton
- Tolson
- Wagner
- Zimmerman

Litigation Stat...

- Closed
- Not Insured
- Open

Jurisdiction St...

- Alabama
- Arizona
- Arkansas
- California
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Illinois
- Indiana
- Iowa
- Kentucky
- Louisiana
- Maryland

AY 2011 & Prior Claims - Open Insured

Total Paid-2015 by Claim Center Med ...

Category	Paid
Diagnostics	\$1,465,055
Physical Therapy	\$1,188,112
DME/Supplies	\$1,137,092
Total	\$3,790,259

% Paid-2015 by Line Category

Line Category Name	Percentage
Physical Therapy	31.28%
DME/Supplies	30.00%
Other	19.03%
Laboratory	12.08%
Diagnostic	4.22%
MRI	1.57%
X-ray	0.95%
CT Scan	0.80%
Occupational T...	0.09%

Total Paid-2015 by AY - Top 15 + ...

AY	Paid
2011	\$467,657
2010	\$407,644
1996	\$309,026
2009	\$278,632
1991	\$228,378
2008	\$217,523
2000	\$198,228
2003	\$123,173
1999	\$118,700
2006	\$118,282
2004	\$104,456
2007	\$102,682
2005	\$101,921
2002	\$101,434
2001	\$87,932
1997	\$72,469
1995	\$72,249
1992	\$58,801
1998	\$58,652
Others	\$558,030

Claim Count by State

Jurisdiction State	Count
New York	396
Pennsylvania	392
New Jersey	189
Maryland	121
California	118
Virginia	58
Delaware	50
Tennessee	39
South Carolina	24
Connecticut	19

Total Paid-2015 by Company - Top 15 + All Others

Company	Paid
PMAC	\$2,958,866
GB	\$369,612
PMAC	\$72,748
PMACNE	\$15,174
Handing by Group Name	\$373,689

Top 10 Paid Providers

Provider	Paid
MSC GROUP INC.	\$647,142
REMED RECOVERY CARE CENTE...	\$441,676
AUGH NETWORKS INC.	\$125,743
ONE CALL MEDICAL INC.	\$122,389
AMERITOX LTD.	\$84,410
AEGIS SCIENCES CORPORATION...	\$80,378
MILLERUM LABORATORIES I...	\$50,515
CENTER FOR PAIN MANAGEMEN...	\$48,264
PNM INC.	\$47,226
PROGRESSIVE MEDICAL INC.	\$45,403



TPA & Risk Services for Workers' Compensation

Results that Make a Difference

PMA's holistic approach can achieve a positive impact on your risk management efforts. We will work with you to execute pre-loss, loss-reduction, and post-loss strategies complete with multilevel claims and risk management services, including:

- **Account Management Team** – Account Executive, Client Service Manager, Triage Nurses, Nurse Case Manager, Risk Control Consultants, Claims Professionals, Quality Assurance Specialists, and Customer Service Representatives
- **Triage/Intervention Nurses** – intervene on all lost-time and high-risk medical-only workers' compensation claims
- **Pharmacy Nurse Specialists** – dedicated to prescription drug oversight with focus on regulating narcotic dispensing
- **Quality Assurance Program** – Quality Assurance Specialists ensure consistency in all areas of claims management services
- **Special Investigative Unit** – trained specialists who investigate potentially fraudulent claims and, where appropriate, refer claims to local authorities and assist with prosecution
- **PMA Webservice®** – an online-only portal of safety and risk management resources
- **Benchmarking and Stewardship Reporting** – turns data into actionable information for better business decisions

PMA's Holistic Approach to Risk Management

Pre-Loss

- Risk Assessment by a safety professional
- Goal Setting – Establish goals and performance metrics to manage the improvement process
- Develop a strategic plan to guide our improvement efforts

Loss-Reduction

- Predictive Assessment
- Early Nurse Intervention
- Central Index Bureau
- Supervisor/Adjuster Action Plan
- SAW/RTW
- PPO/PBM
- Medical Management
- Subrogation Identification
- Litigation Management
- RMIC "Dashboard"

Post-Loss

- Stewardship Report/Recommendations
- Comprehensive Review and Case Benchmarking
- Quality Assurance Program
- Recovery Subrogation, Losses, etc.
- Case Resolution

The Building Blocks of Your Success

Account Management

As a TPA and Risk Services client, you will be supported by a team that will become an extension of your risk management resources. Your team will include an Account Executive, Client Service Manager, Triage Nurses, Nurse Case Manager, Risk Control Consultants, Claims Professionals, Quality Assurance Specialists, and Customer Service Representatives. A claims supervisor leads the claims team, which also includes a 24/7 Customer Service Center.

By assigning these teams, PMA provides you with direct contacts for any questions you may have. The results: strong, collaborative relationships, a deeper understanding of your business needs, and, ultimately, greater value for your business.

Special Handling Guidelines

As a PMA client, we will create for you custom claims handling guidelines at the onset of our partnership (and periodically thereafter) that explain how we need to service your account. This can include settlement authority levels, attorney selection, reserve notifications, and more.

Stewardship Reports

PMA also provides annual Stewardship Reports, which outline trends that have an impact on your organization's total cost of risk. Your Stewardship Reports provide benchmarking, pending analysis, risk profiles, and risk management analysis, as well as recommendations to help you make risk management decisions.

PMA's Commitment to Service

- **24/7 Customer Service Center** at 1-888-476-2669
- **pmacompanies.com**, our interactive website featuring:
 - Injured Worker Center
 - Workers' Compensation Guide for Injured Workers
 - Pharmacy Search Tool
 - Temporary Pharmacy Cards
 - Return-to-Work Information
 - State Workers' Compensation Resources

PMA's goal is simple—to reduce the frequency and severity of your workers' compensation claims creating a safer, healthier workplace.

Spotlight on Success

Rockland County, New York

Located just 16 miles from New York City and home to nearly 300,000 residents.

Partnership Results as of 2015

- Holistic approach with Risk Control, Claims, and Managed Care resources delivering positive program results since 2005
- Recoveries totaling \$3.1 million over past 10 years
- Net Managed Care savings of \$2.2 million (75% savings) in last 12 months

"We can log into the [PMA risk management information] system and check the status of a claim at any given time. We can also run reports to track claims by department or in aggregate for the county to isolate any high claim areas."

Annette Marro | Workers' Compensation Coordinator | Rockland County



Our Results-focused Claims Service

Highlights of Our Claims Service

- **SSAE 16 (SOC 1) Certified**—Annual certification that assures a high degree of operational controls specific to client data and loss funds
- **Assigned team**—including claims professionals, a Claims Supervisor, a Client Service Manager, Nurse Case Managers, and Customer Service Representatives
- Adjusting staff with an **average of 17 years** of workers' compensation claims handling experience
- **Target low average caseloads** and new assignments for claims professionals—facilitating more thorough claims management and greater control over loss development
- Averaging **15 years of experience**, our **Client Service Managers** oversee your program installation and creation of special handling guidelines, and serve as the primary point of contact for Stewardship Reports and claims relationships
- **Prompt and thorough investigation** that includes determination of compensability and subrogation potential, as well as "indexing" each injured worker's lost-time claims with the Central Index Bureau to prevent payment of duplicate benefits and to help identify and prevent fraudulent activity
- **Quality Assurance Specialists** who audit claims files and review open lost-time claims approaching 90 days
- **Tenured, committed team** backed by PMA Companies' ongoing **formal claims training program**, as well as support for higher education and **industry certifications**

PMA designed our claims service to reduce our clients' overall exposures and control costs. Each step of our comprehensive claims program has been structured to achieve results, including driving claims to resolution in a timely, thorough, and cost-effective manner.

We recruit and retain claims professionals with strong technical knowledge in workers' compensation. In fact, our adjusting staff has an average of 17 years of workers' compensation claims handling experience. As part of our holistic approach, we maintain a tight linkage between claims management, managed care, and risk control—enabling us to continually identify and help you address emerging loss trends while seeking to reduce your loss costs.

Staffing

The key to our success lies in the people who we employ. PMA is committed to providing its clients with the highest quality claims management services, and this can only be accomplished through strong, knowledgeable employees. Our claims professionals take ownership of their work, and fully dedicate themselves to each claim they handle.

Caseloads that Facilitate Proactive Claims Management

PMA's claims professional caseloads and support resources, such as our 24/7 Customer Service Center, are established to allow our claims professionals to give each claim the time and attention it requires. This allows us to complete more thorough investigations, and to exercise greater control over loss development. The average caseload handled by our claims professionals is typically 120 - 150 files depending on jurisdiction and line of business, with new average monthly assignments of 7 - 12 files.

Focused Training

Led by a Claims Training Manager focused on creating and executing various claims training programs, PMA claims professionals regularly receive formal and informal training through internal and external resources addressing all disciplines, including claims, legal, managed care/medical providers, and risk control. We also frequently use one-on-one training sessions between supervisors and claims professionals to focus on specific topics, enabling supervisors to provide continuous improvement training to each claims professional. Our training sessions serve to educate our claims professionals on new policies and procedures, new case law

developments, and changes in rules and regulations.

Loss Reporting

PMA offers you a selection of claims reporting options so you can choose the channel that's most convenient for you and that best suits your needs. We can receive Injury Reports electronically through PMA's website or through PMA Cinch, our internet-based risk management information system. You can report losses from mobile devices, including iPhones, iPads, Android smartphones, and tablets. Telephone, fax, and mail reporting options are also available.

Claims reported electronically are immediately assigned a PMA claim number, and that claim number will instantly be provided to you. For all reported claims, acknowledgement letters will be mailed or e-mailed to designated client contacts.

Investigation

Upon receipt of a lost-time claim, we will conduct an aggressive investigation that includes:

- Review of First Notice of Loss by Triage Nurse looking for indications of high-risk claims
- "Indexing" the injured worker with the Central Index Bureau to prevent duplicate benefits and identify previous injuries and potential fraudulent activity
- Three-point contact within 24 hours of claim assignment
- A compensability determination
- An assessment of subrogation potential

Combining our people, processes, and powerful claims management information system (CMIS), we identify high exposure claims characteristics like comorbidities, psycho-social factors, injured worker age, body mass index (BMI), and length of employment. This critical information helps our claims professionals and triage nurses intervene early in the process to deliver a proactive approach designed to achieve positive outcomes.

Medical Summary	
Medical Summary Medical Management ODG Medical Log Notes	
Edit New Log Note	
Medical Profile	
Law Firm	
Medical Contact Allowed?	
<u>Contact Condition</u>	
Comorbid Conditions?	☒ Comorbid
Psycho-Social Factors?	☒ Psycho-Social
Age	60
Gender	Male
Prescription Management	
Effective date	
Expiration date	
Billing Restriction	
Accident Description	
Enter Height in Feet 6 and Inches 0 or Total Height in Inches 72	
Weight (lbs)	300
BMI (Calculated)	40.7 (Overweight/Obese BMI > 25; Morbid BMI > 45;)
Surgery	No

Medical Summary tab showing injured worker's medical profile

Edit | New Log Note

Comorbid Disability Factors

Factor	Description	Ed	ICD Code	Diagnosis Description	Status	Provider	IW Diagnosed	PMA Notified	Claim Impact?	Comments
Obesity	Overweight and Obesity	10	E66.3	OVERWEIGHT	Treatment - None				Yes	

Psycho-Social Disability Factors

Factor	Description	PMA Notified	Resolution Date	Claim Impact?	Comments
Family	Married	07/01/2016		No	M 2
Length of Employment	Less Than 1 Year			Yes	

Medical Management tab showing any comorbid and psycho-social disability factors

Information collected by our claims and nurse teams throughout the initial and ongoing claims management process is fed into PMA's powerful CMIS, which is connected to Official Disability Guideline (ODG) treatment software helping to:

- Assist the adjuster and nurse in estimating the length of disability (ELOD)
- Establish specific treatment protocols and mileposts
- Create return to work expectations for the injured worker and treating provider(s)
- Generate an ODG Risk Assessment Score (RAS) meant to display the potential complexity of the injury scenario based on injured worker demographics

CPT Codes | Duration Guidelines | Duration history

Date	Recommended RTW Duration (Days)	Actual RTW (Days)	Medical Cost Est.	Medical Reserves
07/25/2016 11:48 AM	15	24	\$5,742.54	\$60,920.00

Duration and medical cost calculator

As soon as the injured worker returns to work, the adjuster inputs the official return to work date into the CMIS. Comparing the ELOD with the ALOD then provides opportunities to demonstrate real indemnity and medical savings achieved, and allows for critical feedback to medical providers in terms of claims outcomes.

Our ongoing three-point contact with you, your injured worker, and the medical provider will facilitate aggressive management of recovery and return-to-work strategies, from the inception of the claim through its conclusion.

During three-point contact, our claims professionals will:

- Perform a comprehensive investigation, including accident details, mechanism of injury, prior claims and medical history, and contact all appropriate witnesses
- Assess the appropriateness of a nurse case management assignment
- Determine the estimated length of disability and communicate this to the injured worker to establish return-to-work expectations for all parties

- Work cooperatively with the medical provider to obtain modified duty capabilities, and promptly communicate those capabilities to the client and injured worker
- Conduct recorded interviews when appropriate
- Provide notification to the appropriate contact in all cases involving catastrophic injuries or fatalities

Begin evaluating subrogation and other recovery potential in order to reduce your loss exposure; subrogation recovery efforts are conducted by the claims professionals handling the claims after completing our investigation, and within 14 days of claim assignment, we will provide you with a compensability recommendation.

Medical Management
 Medical Summary | Medical Management | **ODG** | Medical Log Notes

[Edit](#) | [New Log Note](#)

ODG risk assessment score is greater than 60.

ODG risk assessment score is 81.

[CPT Codes](#) | [Duration Guidelines](#) | [Duration history](#)

[Get data from ODG](#)

ODG Results

RAS
 (Risk Assessment Score)

Actual
 Days 24
 Medical Reserves \$60,920.00

Injury / Illness Diagnosis

Order	Ed	ICD Code	Diagnosis Description	Valid From	Valid To	Compensable	Section 111	Comments
Primary 10		S06.9X1A	UNS IC INJ LOC 30 MIN/LESS INIT ENC	07/01/2016		Yes		Yes

Claimant Details **Confounding Factors** [Refresh Confounding Factors](#)

Claimant 60
 Age
 Claimant Iowa
 Jurisdiction
 DOL Job
 Class

Confounding Factors (Derived from Disability Factors)

Diabetes	Depression	Legal Representation
Hypertension	Smoker	Surgery/Hospital Stay
Obesity	Yes	Substance Abuse

Injured worker's risk assessment score based on all medical conditions and factors

Reserving

We set reserves for the realistic value of a claim based on the most current information available at the time of review. Reserves are set when the compensability decision is made during the investigation phase of the claims handling process, and reserve changes are considered as the facts and circumstances of the loss develop. Reserves are reviewed when the claims professional works the file, and all claims are reviewed regularly for reserve adequacy by the claims supervisor.

PMA will consult with you on all reserve changes in excess of an agreed upon threshold, which will be memorialized in your Special Handling Guidelines. Rationale for all reserves will be documented in claims file log notes, and will be detailed when reserve changes are requested.

Independent Medical Examinations (IME)

IMEs can be initiated when the length of disability exceeds expectations, the cause of the work injury is in question, a determination of the reasonability and/or necessity of a medical treatment plan is needed, or when physical capabilities for return-to-work at a modified job must be obtained.

The benefits and costs of an independent medical examination will be explained to you on a claim-by-claim basis, and will only be initiated upon your approval.

Spotlight on Success City of Cumberland, Maryland

The City of Cumberland, Maryland, the county seat of Allegany County and home to nearly 22,000 residents, maintains full-time police, fire, water and sewer, public works, administration, and parks and recreation departments.

Partnership Results as of 2015

- Return-to-Work Program brings injured employees back to work with light-duty assignments shortening the duration of claims
- Preferred Provider Network (PPN) penetration of 94% helped save \$159,000 in medical expenses 2014-2015
- Total medical savings of nearly \$945,000 since 2006



"It's simply about communication and awareness. Our committee discussions and reviews of accidents have already helped us to develop improved safety policies, like reporting all injuries, large or small, within 24 hours."

Jeff Rhodes | Director of Administrative Services & Risk Manager | City of Cumberland

Settlement Authority

Authorization will be requested prior to the settlement of a litigated workers' compensation claim. For non-litigated claims, we will exercise discretionary authority up to our agreed upon threshold, which will be memorialized in your Special Handling Guidelines.

Our claims professionals will provide written requests for authority for litigated claims, and non-litigated claims where the proposed settlement exceeds the agreed upon threshold, in advance of the proposed settlement date. Requests will include a detailed evaluation of the claims exposures, along with input from defense counsel and your risk manager.

Location Coding

All claims reported to PMA will contain a client specified location code. A dropdown menu of location codes will be available for claims reported electronically through PMA Cinch.

Claim Reviews and Stewardship Meetings

We are committed to providing our clients with all of the tools and information necessary to effectively manage their workers' compensation programs. This is accomplished by providing access to detailed claims information through PMA Cinch, by conducting in-person or telephonic claims reviews, and through the presentation of our annual Stewardship Reports.



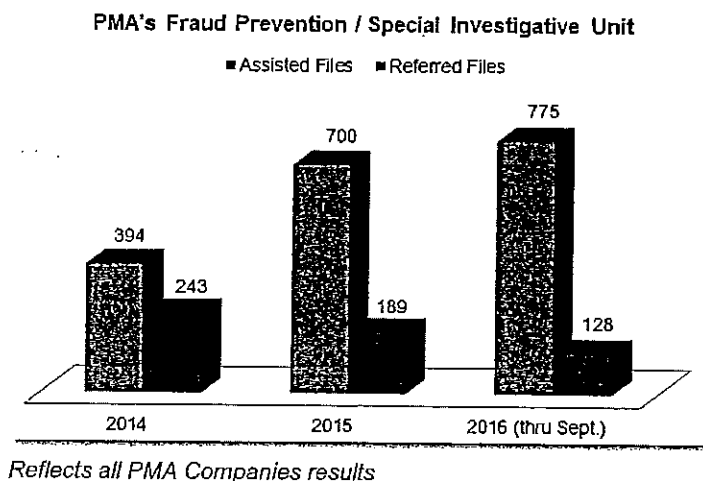
This presentation and the information set forth herein have been prepared by and is the property of PMA. You should not share, distribute, copy, republish or reproduce any portion of this presentation without prior express written consent from PMA.

Formal claims reviews can be scheduled upon request. These reviews will serve to provide up-to-date loss information, and will allow all parties to discuss detailed action plans and resolution strategies on the selected claims files being reviewed.

In addition, we provide a detailed stewardship report on an annual basis to review the overall results of your program against your risk management goals. This report provides an extensive financial analysis, a detailed analysis of loss information, and a comprehensive review of risk-management data. This report is used both to demonstrate the results that have been obtained and to identify loss trends, enabling you to determine exactly where to focus your ongoing risk management efforts.

Fraud Control – Special Investigative Unit (SIU)

PMA employs a full-time Special Investigative Unit. The SIU is staffed with industry fraud professionals with over 25 years of experience who are committed to detecting, deterring, and preventing fraud while protecting the assets of our clients. The SIU is active with industry professional organizations and in working with related regulatory bodies. The Corporate SIU Coordinator is a Board Member of the PA Insurance Fraud Prevention Authority and the SIU is active in the International Association of Special Investigative Units. Our Unit works in conjunction with the PMA claims professionals, receiving referrals from claims adjusters, supervisors, managers, and clients. This collaborative approach has resulted in significant savings for our clients and criminal insurance fraud prosecutions in many states. PMA's SIU is responsible for fraud investigations, fraud training, regulatory anti-fraud compliance, private investigator vendor management, and maintaining PMA's Anti-Fraud Plan.



Each claim is reviewed for red flag fraud indicators by the claims adjuster and the claims supervisor. Inconsistencies are pursued and our SIU assists with the investigation and information gathering with services to support making appropriate claims decisions, including:

- Social Media Search
- Skip trace (locate an individual, address history, relatives, etc.)
- Confirm personal information (name/ DOB/ SSN, liens, judgments/bankruptcies, etc.)
- Background investigation
- Order police report
- Criminal and/or civil record search

When a misrepresentation is material to the claim, an insurance fraud referral is prepared and sent to the appropriate Fraud Bureau/DOJ/District Attorney or Attorney General. A questionable claim submission may also be made to the National Insurance Crime Bureau. PMA will track the status of referred claims and the potential for recoveries or restitution.

Return-to-work/Stay-at-work

A formal return-to-work/stay-at-work program is arguably the single most effective method of reducing your workers' compensation claims costs. PMA's claims and managed care professionals will collaborate to create or enhance a formal program for you. In addition, we employ a disability management strategy on lost-time claims. Our return-to-work/stay-at-work program consists of:

- Open communication with PMA claims professionals, nurses, and you
- Modified work programs, including light duty and alternative assignments
- Independent medical examinations
- Vocational rehabilitation
- Use of occupational disability guidelines

Our claims professionals will maintain ongoing contact with you and your injured workers with the goal of safely returning them to work.

We can assist you in developing a work program in which employees perform a modification of their regular jobs, or different jobs altogether, until they are capable of resuming their normal work duties.

Litigation Management

Regardless of assignment to counsel, our claims professionals remain committed to the quality of claims handling for each of their assigned files. Our aggressive litigation management procedures include stringent attorney selection (if applicable), collaborative development of defense strategies with counsel, counsel's submission of budgets, and legal bill review. To control costs, counsel generally performs only legal work, while PMA staff oversees investigations and negotiations.

Responsible Reporting Entities (RREs)

Self-insured entities are considered primary payers and Responsible Reporting Entities (RRE) and must register as such. PMA has a comprehensive program to comply with your reporting requirements of the Medicare Secondary Payer Statute, and will handle all Section 111 reporting once you have registered as an RRE and selected PMA as your reporting agent. We partner with ExamWorks, which acts as our reporting agent.



Comprehensive and Integrated Managed Care to Help Control Claims Costs

The total average cost of a lost-time workers' compensation claim in the United States was \$53,000 in 2015. Medical and pharmacy costs are nearing 60 percent of expenses for workers' compensation claims. PMA Companies offers the expertise, capabilities, and programs to effectively manage these costs while helping you return employees to work.

PMA's Managed Care programs are driven by our integrated, in-house team that is highly credentialed and 100 percent focused on workers' compensation.

PMA's Strategically Sequenced Managed Care Programs

PMA provides fully integrated, industry-leading Managed Care capabilities to minimize costs and ensure seamless delivery of services to our clients. Our comprehensive program of services includes Complex Bill Review, Fee Schedule and UCR reductions, Pharmacy Benefit Management, Opioid Management, Preferred Provider Network utilization, Disability Management, Peer Review, and Utilization Review. We combine our risk management and medical expertise, technology, data analytics, and third-party partners to optimize performance. This approach enables us to more effectively assess and manage cases with the goal of maximizing outcomes while minimizing costs for our clients.

Our Managed Care programs include:

- **Complex Bill Review.** PMA's Complex Bill Review (CBR) team includes coding specialists and Registered Nurses who perform a clinical review of medical bills to ensure coding accurately reflects the services billed. If errors are detected by this team the bill is adjusted and sent back to the medical provider for an explanation. Our CBR examiners apply clinical guidelines, ensuring appropriate billing based on clinical reports. Our expert coders review bills for compliance with complex state-mandated rules and regulations.
- **Medical Bill Review Program Fee Schedule & UCR Reductions.** Our sophisticated imaging and workflow software performs a thorough review of all medical bills, identifying duplication, potentially unrelated services, and improper billing practices. PMA reduces medical bills to state fee schedules and UCR based on the rules and regulations of the state. PMA's Managed Care team continuously analyzes appropriate fee schedule and UCR application to all medical bills to ensure we are maximizing medical bill savings accordingly.
- **PPO Networks.** PMA utilizes strategic partnerships throughout its marketing territories to offer clients access to a comprehensive provider network for workers' compensation claims. This includes an Expert Provider Organization that specializes in physical therapy and occupational therapy services. A team approach is employed by PMA's Managed Care, Claims, and Account Management staff to educate clients on the benefits of using a network and encourage injured workers to seek treatment from network providers for more efficient and effective injury management.

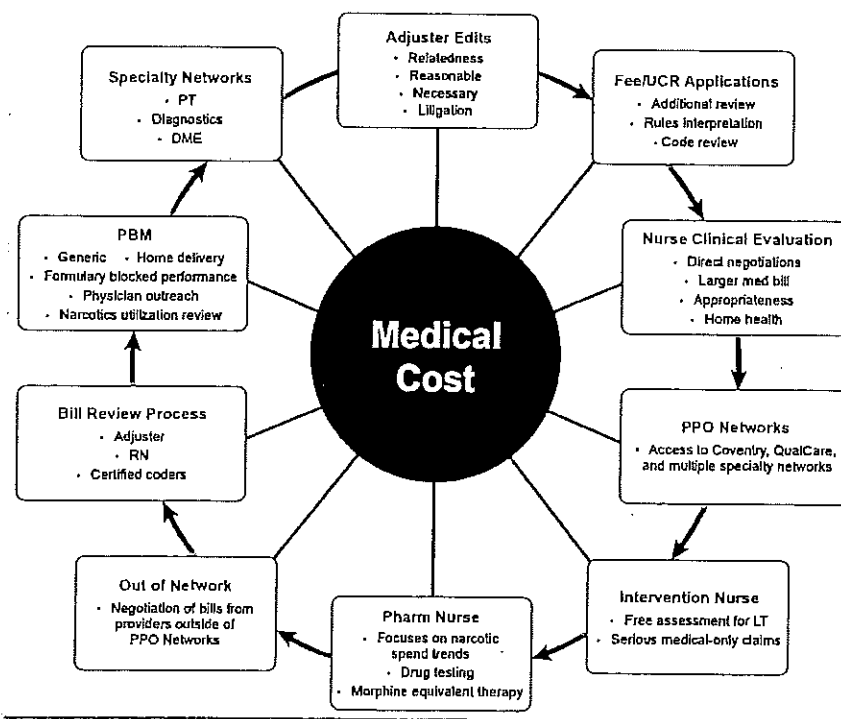
Example of PMA's Strategically Sequenced Medical Bill Review

START	PMA TPA Billed Charges All States*	\$460,540,177
	Denied Charges	-\$108,666,687
	Fee Schedule/UCR	-\$92,104,876
	Code Specialist Review	-\$19,647,770
	Duplicate Bill Review	-\$5,148,277
	Complex Bill Review	-\$16,601,197
	PPO Savings	-\$36,495,018
	Out of Network Bill Review	-\$1,380,803
	Medical Bill Savings	\$280,044,628
END	Final Paid Charges	\$180,495,549

*2015 PMA TPA Billed Medical Charges

- **Out-of-Network Program.** To complement our standard bill review process, PMA offers an out of network negotiation (OON) program. Our OON program provides savings below traditional state fee schedule or usual and customary charges for certain medical services provided outside of PMA's preferred provider network. We utilize industry leading programs for re-pricing and negotiation services. Out-of-network bills are re-priced with selected thresholds, dependent upon bill type and state jurisdiction. Our network portfolio includes both customary networks, as well as specialty networks.
- **Pharmacy Benefit Management (PBM) Program.** To help contain insureds' workers' compensation pharmacy costs, PMA has partnered with one of the nation's largest full-service providers of technology-enabled, clinically-driven services for prescription management devoted exclusively to workers' compensation and liability markets. Our program delivers utilization control, targeted intervention, and care management solutions to address drug utilization, prescriber activity, and medication mix (the primary drivers of workers' compensation pharmacy costs). Our PBM program offers full adjudication of physician dispensed and third party invoices for pharmaceutical products. Additionally, the program includes retail pharmacy (with over 60,000 pharmacies), mail order pharmacy, clinical management and formularies, as well as on-line resources for reporting and education.

PMA's 10-Point Managed Care Solution



- **PBM Pharmacy Intervention Program.** PMA employs a comprehensive Pharmacy Intervention model that utilizes multiple resources, including Pharmacy Nurse Specialists who are Registered Nurses fully integrated into PMA claims process. Pharmacy Nurses use a portfolio of intervention strategies, including outreach to injured workers' medical providers, pharmacist drug reviews, drug testing and monitoring, and peer-to-peer reviews to prevent or remedy prescription drug dependency problems. Pharmacy clinical interventions are designed to drive better medical outcomes for injured

workers and reduce fraud potential. Additionally, PMA leverages data mining and business intelligence to identify Pharmacy intervention opportunities. This medical-centric approach focuses on injured worker prescription trends relative to high morphine equivalent dosages (MEDs), prescribed compounds, direct physician dispensed regimens, brand to generic opportunities, and potential for home delivery application to name a few. Each of these areas of concentration and trend analysis drive toward appropriateness of utilization, enhanced cost reduction, and reasonable cost avoidance.

- **Panel Creation.** PMA employs an easy-to-use website tool that allows insureds (where jurisdictionally allowed) to quickly locate network providers, pharmacies, and ancillary services, as well as create provider panels according to your requirements.

Example of PMA's Strategically Sequenced Pharmacy Bill Review

START	Billed Charges All States*	\$78,903,376
	Formulary & Blocked	-\$13,952,715
	Physical Outreach	-\$1,806,457
	Retrospective Drug Review	-\$214,004
	Step Therapy	-\$735,322
	High Cost Compound Review	-\$989,367
	Total Utilization Savings	-\$17,697,865
	Total Contracted Savings	-\$16,973,714
	Pharmacy Bill Savings	\$34,671,579
END	Final Paid Charges	\$44,231,797

2015 PMA TPA Billed Pharmacy Charges

- **Specialty Preferred Diagnostic Imaging Program.** PMA works with industry leaders for access to their networks of providers of diagnostic imaging services, e.g., Magnetic Resonance Imaging (MRI), Computed Tomography (CT Scan), Electromyography (EMG), and Nuclear Medicine (Bone Scans). This access provides highly efficient referral and scheduling services for injured workers who require diagnostic services, as well as networks of contracted diagnostic imaging providers that offer services at discounted rates.
- **Specialty Preferred Programs/Networks.** Our customized network strategy delivers an additional opportunity to increase network penetration and target workers' compensation cost drivers. PMA's Specialty Preferred Programs feature select relationships with industry-leading managed care companies that offer specialized expertise and high-quality, nationwide resources. PMA conducted a rigorous due diligence evaluation process when selecting Specialty Preferred vendors. Specialty Preferred Programs offer prospective and retrospective clinical review to ensure appropriate medical care is provided to injured workers.
- **Specialty Preferred Physical Therapy Program.** Physical therapy contributes significantly to workers' compensation medical expenses, fueled by both treatment costs and frequent utilization. To tackle these cost drivers, PMA partners with networks of pre-screened and credentialed physical medicine providers, including the largest national network in the workers' compensation industry. This clinically-based program effectively manages utilization and cost through evidence-based treatment guidelines, regular communication, and early alerts on off-track cases.
- **Specialty Preferred Durable Medical Equipment (DME) Specialty Program.** Injured employees often require specialized medical equipment and devices to return to work. With prices rising and medical equipment choices proliferating, PMA strategically partners with selected national medical equipment providers to expertly navigate this field. Our strategic partners provide competitive discounted rates for medical equipment and ensure the quality and functionality of all prescribed

Physical Therapy
40%
Average Reduction

medical equipment. PMA effectively manages these partnerships to ensure optimal cost savings as well as appropriate utilization and supply of needed equipment for injured employees.

- **Disability Management.** The PMA Disability Management Program is staffed with highly skilled Registered Nurses with varied occupational health expertise. Our Nurse Case Managers work in an integrated fashion with our Claims professionals, treating providers and injured workers to facilitate an appropriate treatment plan and achieve timely, safe return-to-work. PMA evaluates comorbid, age and psycho-social factors to evaluate risk and develop claim strategies to impact quality of care, costs and return-to-work outcomes. PMA conducts case management by telephone and in person. On-site case management facilitates the proactive management of complex claims. When appropriate, PMA partners with the largest workers' compensation case management providers for additional services.
- **Complex Catastrophic Case Management.** PMA leverages internal clinical management resources along with expert vendor partners to manage catastrophic injuries. We combine our clinical and claims management expertise with the specialized expertise and networks of catastrophic medical providers to manage claims to a better outcome at lower costs. Cases are managed by PMA specialized resources and proactively reviewed monthly to help drive optimum clinical and claims approaches and provided the best treatment plan appropriate for the injured worker at reduced costs.
- **Medical Peer Review.** PMA proactively addresses questionable medical treatment, particularly causation and treatment effectiveness issues. We engage a provider, board certified in the same specialty as the treating provider, to review the treatment file and render an expert opinion of medical treatment recommendations.
- **Product Management.** We continually assess market trends and insureds' needs to design new managed care products and services. Based upon our analysis, we develop innovative products and services to enhance the quality of PMA's medical management program and ensure our program continues to be best-in-class.
- **Quality Management.** PMA's quality team adheres to best practices guidelines and regulatory requirements. Audits of internal nurses and external vendors' nurses are conducted quarterly. Together with the PMA Regulatory Compliance Team, the Quality Management/Audit Unit ensures that PMA's partners meet all jurisdictional guidelines.
- **Utilization Review.** PMA evaluates the medical necessity of diagnostic or treatment procedures with our UR programs. We review procedures prospectively, concurrently, or retro-actively using evidence-based guidelines per each state. Our goal is to ensure the injured employee receives appropriate medical treatment and returns to work promptly. PMA pursues additional review if the treating provider disputes the UR decision.
- **Triage Intervention Program.** A specialized and dedicated team of Registered Nurses. The program goal is to identify and intervene on high-risk workers' compensation claims, starting immediately after first notice of the loss. The nurses act quickly to determine the need for case management intervention, expedite appropriate medical treatment and direction into medical networks and establish return-to-work strategies. The Triage Intervention Program is active throughout the life cycle of workers' compensation claims to facilitate immediate intervention if red flags arise. PMA takes an aggressive stand on the application of evidence based medicine and leverages skilled nursing and jurisdictional rules to reduce fraud, waste and abuse.
- **PMA Care 24.** A dedicated branded PMA Managed Care program committed to immediate first level clinical assessment by an RN of employee's condition after a reported incident. The RN discusses

incident and employee's condition with the employee to determine the most appropriate level of care to initiate treatment for initial physician diagnosis and necessary course of action. This service helps streamline appropriate care identification which in turn helps mitigate costs through the avoidance of inappropriate initial treatment. Additionally, PMA Care 24 promotes enhanced cost containment through in-network optimization and utilization.

- **Medical Cost Projection & Medical Cost Analysis.** PMA provides two medical cost analysis services that help evaluate future medical costs based on past and current medical trends specific to the claim. PMA's Medical Cost Projection service helps establish appropriate and comprehensive future medical reserve considerations. PMA's Medical Cost Analysis service provides a clinical assessment and validation of projected medical reserves. Both of these services are implemented and managed by internal PMA clinical experts.

Risk Control Services

PMA's approach to risk control involves developing an understanding of your business, getting to know your risks, and formulating strategies and programs for managing them. Our services are customized to your organization's particular needs. Our mission is to provide you with state of the art services that control loss costs and increase profitability.

As part of our unique holistic approach, we perform a risk management assessment—diving deep into current performance to identify action plans to reduce both the frequency and severity of losses. We will help you to evaluate and mitigate risk as you undertake key business decisions. We will also provide ongoing monitoring and benchmarking to track progress over time.

Working in concert with PMA's Claims and Managed Care teams, PMA Risk Control plays a key role in our holistic approach utilizing both pre- and post-loss initiatives designed to reduce your total cost of risk. We offer a full range of risk control services, including safety program evaluations, hazard analysis, safety training, safety perception surveys, and loss frequency/severity reviews. We can help you establish and monitor a flexible, goal-oriented action plan for your safety programs.

PMA Webservice®

You will also have access to PMA Webservice—an on-line portal of safety and risk management resources exclusively for our clients. Our Risk Control Consultants designed PMA Webservice to offer convenient access to practical loss prevention and safety information and solutions—including technical bulletins, safety and compliance training programs, monthly webinars led by PMA industry specialists, as well as tools and resources to enhance your safety and health programs.

In PMA Webservice, you can:

- Register for monthly webinars led by PMA industry specialists
- Pose risk management questions to industry experts
- Download industry white papers
- Review technical bulletins
- Obtain safety and compliance training programs
- Access tools and resources to enhance your organization's safety and health programs
- Receive discounts on services such as compliance training



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PMA Websource

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Welcome to Websource, your link to PMA's Risk Control Solutions.

PMA Risk Control Services has but one goal – to help you reduce incidents and your overall cost of risk through proven risk management solutions. To assist with your organization's safety efforts, PMA Companies is happy to provide you with on-line resources.

PMA's Organizational Safety Institute

The Organizational Safety Institute offers monthly web learning events which integrate the collective knowledge of our risk control organization with the specialized expertise of PMA risk control professionals who have real world, current experience in solving an employer's risk management challenges. Programs are facilitated live and recorded for later access. To register for an upcoming learning event or to view the listing of recorded sessions [click here](#).

Here To Help
Questions?
Ask an expert by clicking below
?

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[NAJCOM and OLS](#)

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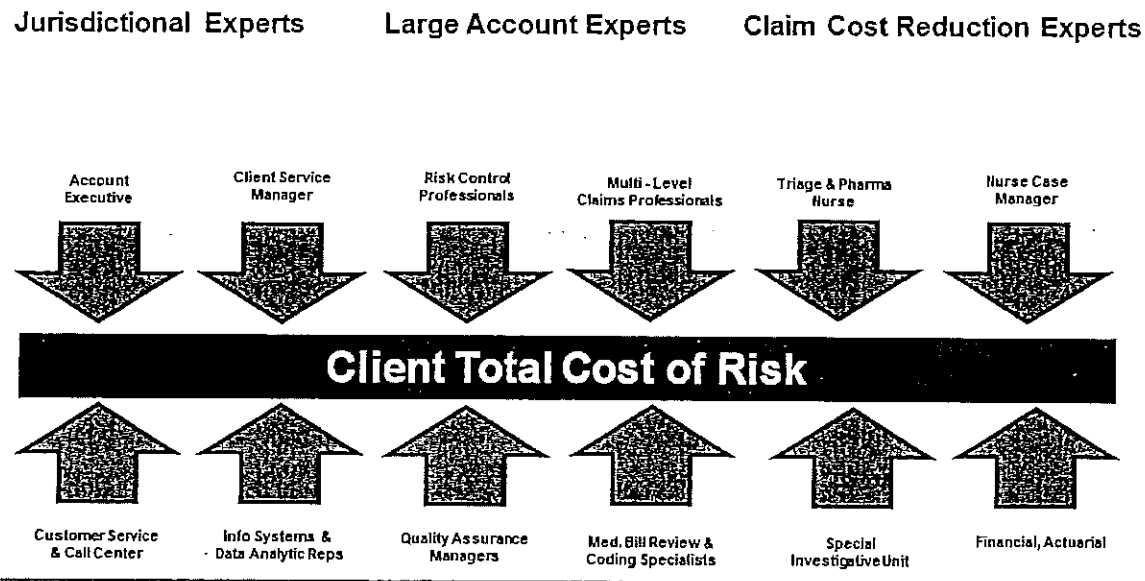


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How We Deliver Results

PMA People

We are known for delivering tangible value and having a service-driven culture with knowledgeable, experienced, and passionate employees. You will have a designated—and integrated—service team to execute our holistic approach, consisting of, as appropriate, any number of the following professionals:



What to Expect

All members of your service team will have clearly defined roles and responsibilities:

- Your Account Executive will be responsible for all business aspects of our relationship with you—including new and renewal pricing, services and service team coordination, creation and execution of your legal contract, and overall customer satisfaction.
- Your Client Service Manager will oversee all aspects of the claims service relationship—including onboarding, orientation of our respective service teams, coordination of claims reviews and Stewardship Reporting, and your overall satisfaction with our claims service.
- Your Nurse Case Manager will provide professional medical insights both to our claims team and to your team—helping to identify clinical techniques and strategies that can support positive medical management outcomes.
- PMA's Risk Control professionals will offer strategies for reducing the frequency and severity of losses and creating a safer, healthier workplace.
- Our claims professionals will adjudicate and resolve each claim in a consistent and timely manner in accordance with industry standards and your special handling guidelines.
- Finally, our Customer Service Center will support the high-level claims service needs of PMA Companies' customers, claims staff, medical providers, and vendor partners.

PMA Partnership Approach

Remember, PMA does more than just provide TPA and risk services—we are your **partner in risk management**. As such, we will be an extension of your risk management team and will work with you to drive down your total cost of risk by focusing on:

- Reducing frequency of claims
- Reducing severity of claims
- Educating you about your loss drivers and making recommendations for improvement
- Reducing indemnity and medical costs
- Reducing your workers' compensation budget

PMA Technology

PMA's innovative technology tools support our holistic approach to reducing your total cost of risk.

PMA Claims Center

Claims Center is our powerful claims management system allowing for improved data capture and reporting. With an all-lines system from Guidewire Software at its core, PMA Claims Center streamlines claims professional activities and improves claims professional efficiency. Further, this system enables us to perform the sophisticated analytics that drive our holistic approach.

PMA Cinch — Access to Powerful Information that Impacts Financial Results

PMA is passionate about helping our clients take a smart, more strategic approach to risk management that drives business value. Timely, comprehensive, and meaningful claims and loss information is crucial in understanding risk exposures.

PMA Cinch enables your risk management executives and other professionals to manage their claims information—everything from the big picture to details of your loss information. It offers busy executives a quick snapshot of your risk management situation, and the robust capabilities and flexibility of Cinch allow your daily



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taskers to pinpoint the information that can significantly impact your bottom line. By analyzing trends and taking quick corrective action, you can enhance your operating performance, lower costs, and improve your financial results.

PAYMENT DETAIL SCREEN

PMA Cinch Payment Detail

Screen allows you to select from a Payment Information Screen that includes medical, indemnity, expense, and loss payments.

You see extensive payment and claims information, right down to whether or not a specific payment has been cashed.

On a day-to-day basis, Cinch will give you timely and convenient access to information about claims. The tool features an "Executive Dashboard" for a high-level view of activity. It also enables users to drill down, analyze, and develop reports and graphs about a wide range of information, including:

- **Executive Summary Tool**
Utilize an interactive tool to organize and view both aggregate and individual claims information.
- **More Flexibility & Data Analytics**
View claims information per your parameters—location, type, status, and accident date range.
- **Full-Color Charts & Visuals**
Data appears in easy-to-view graphs, charts, and tables, allowing you to grasp information quickly.
- **Comprehensive Data**
Display elements are based upon detailed data in your existing loss reports.
- **Ease of Use**
The Dashboard is highly intuitive and requires no training.

Category Code	Category Description	# Of Claims	% Frequency	Total Losses	% Cost	Average Cost	Total Paid
Thursday	Thursday	69	16.8%	\$1,556,402.00	26.9%	\$22,556.55	\$1,260,580.08
Monday	Monday	91	22.1%	\$1,239,196.00	21.4%	\$13,817.54	\$984,467.28

CREATE GRAPHS

The Analysis Tool enables you to create full-color graphs and charts from your data.

We have continuously enhanced PMA Cinch based on feedback from client focus groups. We listened to our clients and gave them the reports and tools they need to make decisions about their workers' compensation programs.

PMACompanies.com — 24/7 Access to Cinch and our Injured Worker Center

Our corporate website, pmacompanies.com, offers user-friendly functionality for reporting a claim, accessing PMA Cinch, and locating a network provider. PMACompanies.com also offers a robust Injured Worker Center—giving your employees convenient 24/7 access to PMA Companies contact information, pharmacy search, frequently asked questions about return-to-work, state resource links, and a workers' compensation guide for injured workers.

Disaster Recovery Program & Enterprise Risk Management

For security reasons, specific information about our disaster recovery program is not sent to our clients. However, detailed information regarding PMA's security programs and processes is available for review and inspection at PMA's Corporate Headquarters in Blue Bell, PA.

Data and electronic images are backed-up on tape daily and sent to a vendor partner for secure off-site storage. Additionally, PMA has a comprehensive disaster recovery program that is managed by another vendor partner, DBSI.

In the event that a disaster should occur, our imaging technology makes it possible for our claims professionals to manage your losses from any PMA branch office without any discernable interruption in service to you.

Our backup/recovery site is dynamically connected to our primary site so that data is constantly being updated in both locations. This allows us to seamlessly switch to the backup site if a primary site disruption is encountered.

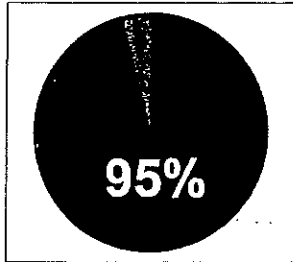


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Points of Pride

Building Relationships One Client at a Time

Client Satisfaction & Retention



- We conducted six independent client satisfaction surveys in the years 2007 to 2016. On average, 95% of respondents report that PMA meets or exceeds their service expectations.
- Our independent 2016 Client Satisfaction Survey showed that 95% of our clients would recommend PMA to a friend or colleague.
- PMA's TPA & Risk Services has an average client retention rate of 95%.

Nationally Recognized Clients



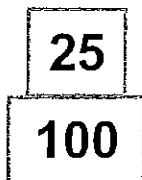
Business Insurance's 2013 Risk Manager of the Year® Lori J. Gray, Risk Management Division Chief for Prince William County, VA. For more than a decade, PMA Companies has partnered with Prince William County in Virginia on its workers' compensation and risk management program. We are proud of our partnership and the success we have helped this client achieve.



Risk & Insurance Teddy Awards for Workers' Compensation

- 2015 Winner – Barnabas Health, a PMA client since 1998
- 2016 Winners – Excelsa Health and Hampton Roads Transit
- 2016 Honorable Mentions – Metropolitan Water Reclamation District of Greater Chicago and Atlantic Health System

Expertise



25 Years of TPA & Risk Services expertise

100 Years of specialized workers' compensation experience



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Disclaimer

The Spotlight on Success summaries included in this proposal show results that PMA has achieved for particular clients. Your results will vary. These summaries are not intended, and should not be interpreted, as guarantees, promises, representations, or assurances concerning the results we can achieve for you.



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Pricing Option – Flat Annual Fee – Life of Contract

PMA Management Corp. will continue to provide comprehensive Life of Contract Third Party Administration Services for all claims for the annual fee listed below for the period 3/1/2017 to 3/1/2020.

Flat Annual Fee: \$71,500 per year

Bundled Services:

Claims Handling	Included
Annual Administration Fee	Included
CINCH 3 users included @ \$500 Additional	Included
Quarterly Claim Reviews	Included

Unbundled Services:

Web Imaging	\$500
Telephonic Case Management (per hour)	\$95
Case Management (per hour)	\$95
Risk Control (per hour)	\$125
Custom/IS Reporting (per hour)	\$95
Cost Containment Fee (Excludes Fee Schedule Savings)	28%
Medical Bill Review Fee (per bill)	\$7.00

*Since this is a flat fee program, any individual occurrence resulting in more than ten claimants then beginning with the 11th claim and for every claim thereafter, \$850 will be the charge for each Lost Time claim and \$125 for each Medical Only claim.

*The pricing requires a 3 year commitment. If a lesser term is requested we will re price the program.

Pricing Proposal

PMA offers a complete and comprehensive claims management program.

Claims Handling Activities:

- Investigation
- Three-Point Contact
- Action Planning
- Claims Processing
- Compensability Decisions
- Subrogation / SIF Investigation
- Excess Reporting & Recovery
- Fraud Prevention / SIU Capabilities
- Account Management
- Quality Assurance Program Oversight
- Structured Settlements
- Pre-Settlement Advisories
- EDI with State as Required
- 1099 Reports
- Settlement Authority
- Resolution Negotiation
- Litigation Management
- Check Issuance
- Payment Registers
- Claim Review Meetings
- Stewardship Meeting
- Self-Insurance Re-Application Assistance
- First Report of Injury Filed with State Agency
- Customized Claim Handling Instructions
- Reserve Advisories
- Patriot Act Compliance
- Office of Federal Asset Control Compliance
- Claim Acknowledgements
- Direct Deposit of Indemnity Payments

PMA's Managed Care:

- Medical Bill Review
- Complex Bill Review
- Out-of-Network Bill Review
- Early Intervention Nurse Assessment on Lost Time Claims
- PPO & Specialty Network Access
- PPO Radius Listing & Mapping to Locations
- Pharmaceutical Benefit Management
- Case Management

Safety/Loss Prevention Services:

- Webservice Access
- PMA Technical Bulletins
- PMA Monthly Web Events Training
- 300+ Safety Videos/DVD Library
- WC Performance Indicator Report *
- Risk Management Assessment*
- PMA Insights White Papers
- PMA Engineering & Safety Services*

*Separate fee may apply

RMIS Services:

- Executive "Dashboard"
- Internet Claim reporting via Cinch
- Claim Number Notification
- Real Time Access to Claim Log Notes
- Client Diary System
- Loss Analysis Reports
- Managed Care Savings Reports
- Reserve Analysis Reports
- Email Claims Professional Capabilities
- "Schedule My Reports" Feature

Loss Adjustment Expenses:

- Independent Medical Exams
- Medical Bill Review
- Complex Bill Review
- Out-of-Network Bill Review
- Case Management Expenses
- Utilization Review Expenses
- PPO Network Access Fees
- Private Investigators
- Medicare Section 111 Reporting Fee
- Central Index Bureau /National Insurance Crime Bureau
- Legal Fees / Attorney Fees
- Records Reproduction Fees

The City is responsible for the payment of all Loss Adjustment Expenses including, but not limited to, the above.



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PMA Funding Options

	Traditional Escrow	Direct Funding ACH Debit
<i>Required Escrow</i>	3 months of estimated claims payments and loss adjustment expenses	• <u>Zero</u>: Daily funding only • <u>Weekly funding</u>: Two weeks of estimated claims payments and loss adjustment expenses • <u>Monthly funding</u>: 45 days of estimated claims payments and loss adjustment expenses
<i>Source of Loss Funding</i>	Escrow account held by PMA	Client's checking account
<i>Monthly Billing</i>	Escrow replenishment and loss handling fees	Loss handling fees
<i>Required Banking Documentation</i>	None	Authorization to Access Account form

Traditional Escrow

This option is available to all large deductible and self-insured clients. With this option, the client will provide PMA with an escrow of three months of estimated paid losses and loss adjustment expenses. PMA will pay for the claims throughout the month with this account. At the end of the month, PMA will bill the client for losses and loss adjustment expenses paid along with the appropriate claims handling fees (if applicable). The client will also receive detailed loss reports showing all claims activity for the month and a cumulative claims summary report by policy/contract.

Direct Funding – ACH Debit

This option is available to all large deductible and self-insured clients. With this option, the client will receive a daily, weekly, or monthly electronic communication from Wells Fargo Bank with the total claim checks issued that day, week, or month. On the next business day, Wells Fargo will initiate an ACH transfer to deduct the previous days' (weeks'/months') claims from the client's bank account. Payment is deposited directly into a sub-account, which is unique to the client. At month-end, the client will receive an AMPS billing statement for the loss-handling fees. The client will also receive detailed claims reports showing all activity for the month and a cumulative claims summary report by policy/contract. Reimbursement by check or client-initiated wire transfer/ACH transfer is required for payment of all fees.

ACH Debit customers must fill out and sign the Authorization to Access Account form in duplicate and forward to the Credit/AMPS Department.

Direct Deposit

PMA offers eligible injured workers direct deposit of indemnity payments into their bank accounts.



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PMA Companies eBilling Solution

Sign-up to access your invoices and statements on-line

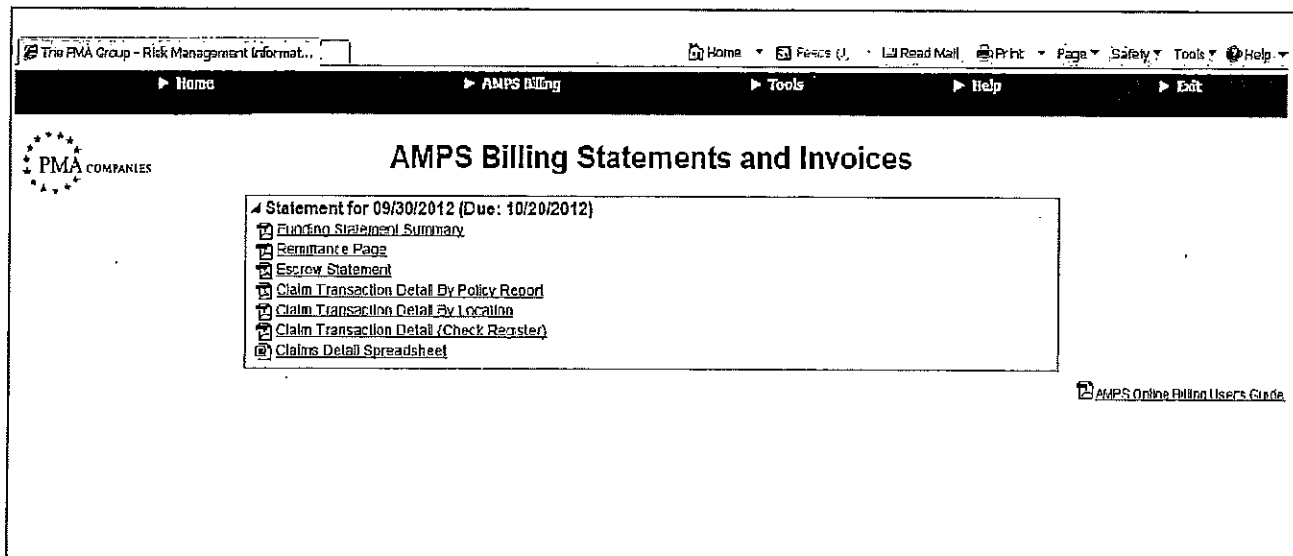
eBilling* is available to PMA clients for loss funding and service fees bills. With eBilling you can easily access and view your bills electronically through our secure internet site instead of receiving paper copies through the mail.

Consider the benefits of PMA eBilling...

- Easy access to your statements and invoices stored on-line, including previous billing information
- Invoices and statements received faster
- Automatic email notification when invoices and statements are generated
- Claims detail data in an Excel format, allowing you to format the data according to your needs
- Escrow balance, installment schedules, and pre-fund reconciliation reports, as applicable, available on-line

* Please note that PMA eBilling does not include electronic payment remittance.

An example of what you'll see in PMA's on-line bill summary page:



To sign-up for eBilling, simply send an email to AMPSFinancialSupport@pmagroup.com and a PMA Representative will respond to assist you.

**** Please allow up to two (2) billing cycles for activation ****



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Response to Qualifications Questionnaire

Qualifications

1. Provide a brief history of your company.

PMA Management Corp. (PMAMC) and sister company PMAMC of New England (PMAMC -NE) are subsidiaries of PMA Companies, Inc., which became part of Old Republic International Corporation in 2010. PMAMC and PMAMC-NE provide third party administration and related risk management services to individuals and groups utilizing the resources and expertise of its affiliates. Our infrastructure is designed to ensure that clients receive the management and support necessary to control their claims programs.

PMA Management Corp. was formed in 1991 to address the diverse needs of organizations considering alternative market products. Today, PMAMC and PMAMC-NE manage approximately \$1.1 billion in reserves for Workers Compensation, and \$85 million for Property, Auto and Liability lines. We actively manage over 22,000 Workers Compensation claims and over 3,500 Property, Auto and Liability claims, and we securely process more than \$45 million in paid losses every month.

PMAMC and PMAMC-NE clients vary in size from those with several hundred to more than 55,000 employees. Our clients include over 100 state and local governments, in addition to universities, school systems, and healthcare providers, to name a few. Our continued success is based on the results we have achieved for our clients. By properly balancing the need to protect our client's reputation with their constituents, while simultaneously reducing their loss costs and increasing their bottom-line savings, we deliver a service that is truly unparalleled in the industry today.

2. List the experience and qualifications of key personnel who will be assigned work under this contract, including resumes of the account management team and their job responsibilities. The City requests each claim adjuster have a minimum, of three (3) to five (5) years of experience in the field Worker's Compensation and Heart and Lung investigations. Please attach resumes for all claim adjusters that would be assigned to the City of Scranton.

Service Team Bio's

Ryan Sharp, Account Executive

Ryan graduated from The University of South Carolina in 2002 with a dual degree Finance and Risk Management. Ryan has been with PMA for over 2 years and has worked as a claims adjuster and sales executive for Liberty Mutual and HRH/Willis in the past 5 years. Ryan is currently working towards his Associate in Claims (AIC) and ARM designation.



Matt Stairs, Client Service Manager

Matt Stairs - Client Service Manager for PMA. Matt has been working on your program since 2014. Matt is very familiar with your program and has a strong relationship with the WC team at the City. Matt has experience working with other PA self-insured municipalities and enjoys working with the City WC team. Here is Matt's background. Matt joined PMA Insurance Company in November, 2000 as an Account Claims Representative and earned a promotion to Senior Account Claims Representative in 2005. Matt was promoted to Regional Claims Supervisor for PMAIC in New Jersey in 2007. Matt was promoted to Client Service Manager in March 2014. Matt also has his AIC (Associate in Claims) designation.

Theresa A. Smith, Assistant Vice President Claims

Terry, a graduate of LaSalle University, began her career as a multi-line trainee with American Mutual Insurance Company in 1978. She left in June, 1981, for a change of career and location. Terry returned to claims in January, 1983, as a workers' compensation adjuster for Wausau Insurance Company. Terry came to PMA in August, 1983 as a multi-line account claims representative. She was promoted to outside adjuster in July of 1984, and a supervisor in 1985. Terry became an account claims manager in April 1990. She was promoted to assistant claims manager in June, 1991. She became the claims manager for the Large Account Team in December, 1992, and subsequently was named Claims Manager - PMA Management Corp. in 1995. She became Regional Manager-Client Services March of 1998, and Assistant Vice-President of Claims in May, 2008.

Lisa Transue, Regional Claims Manager

Lisa Transue began her career at PMA in 2001 as a Lead Customer Service Representative. Subsequently, she has held positions as an Account Claims Representative and Senior Account Claims Representative. In February 2010, Lisa was promoted to her current position as a Regional Claims Supervisor for PMA Management Corp. She oversees claims for the PA and IL jurisdictions. Lisa obtained her AIC designation in 2005 and her WCCC in 2008.

Paul Kelly, Senior Account Claims Representative

Paul is a 1986 graduate of Lock Haven University. He obtained his BA in History. He began his insurance career in 1989 for an independent adjusting company as a multi-line claims adjuster. From 1991 Paul began handling only workers' compensation claims. Paul joined PMA in September of 2010. The vast majority of Paul's experience is in the handling of Pennsylvania workers' compensation claims but he has handled New Jersey claims in the past and is currently handling Pennsylvania and Illinois claims. Paul has obtained his AIC.

Kim Ellis, Account Claims Representative I - began her career at PMA in 1988 as a Data Entry Clerk. She was quickly promoted to Claims Secretary and from there; Kim was assigned to the Workers' Compensation Large Account Team as a Customer Service Representative. She was a PMA Claims Administrator in for PMA's largest transportation client from January 1995 to July of 1999. Kim was then promoted to the Account Claims Representative position handling claims for the State of Delaware. Kim then became an Account Claims Associate servicing multiple PA clients. In March 2013 Kim was promoted to Account Claims Representative I.



Bethany Schneck, Account Claims Associate I, is a 2005 graduate from Kutztown University. She is also an AAPC Certified Professional Coder and holds a Certificate of Medical Coding from the US Career Institute. Bethany began her professional career with PMA in 2001. Since that time, she has held positions of increasing responsibility including Medical Bill Processor, Medical Bill Reviewer and Medical Bill Specialist, and has been promoted to Account Claims Associate, handling medical only claims. In 2016, Bethany accepted the position of ACA I with PMA Management Corp.

3. Provide a list of several clients, with the point of contact, their address and phone number.

These should be clients of similar size, claim frequency and exposures as the City of Scranton.

PMA Companies invites you to contact these customers to learn more about their experiences and our unique holistic approach to reducing their total cost of risk:

City of Reading
815 Washington Street Reading PA 19601
Patricia Beisswanger
610-655-6014
WC TPA

City of Allentown
435 Hamilton Street, Room 227 Allentown, PA 18101
Leonard Lightner
610-437-7620
WC TPA

City of York
101 South George Street York PA 17405
Tom Ray
717-849-2221
WC TPA

City of Bethlehem
10 East Church Street Bethlehem PA 18018
Mark W. Sivak
Director of Budget & Finance
610-865-7014
WC TPA



coded as wage differential

- Once the IW is off H & L, change the segment type back to unknown – loss details, claim details, segment type
- Make any future payments as ongoing WC
- An IRE should be pursued on all files where they IW is at 104 weeks of total disability - either H & L or WC. Discuss Petition for same with super and client if IW refuses to comply with the IRE.

6. Please describe your Firm's:

- Process for assigning claims to adjusters and supervisors;

PMA Management believes in assigning service team members to each client, dedicated as much as possible. While different team members would manage Lost-time and Medical Only claims, we believe our dedicated team and overall service approach enhances communications, and the building of a great working relationship.

Please see the current service teams' bios above.

- Claimant notification and contract standards;

PMA Management Corp's policy is to respond to all telephone calls and written correspondence before the close of business on the day they are received. For new claims, we strive to make initial three-point contact within 24 hours.

- Reserving practices and philosophy;

PMA Management Corp. sets reserves for the realistic value of the claim based on the most current information available at the time of review. Reserves are set within three days of claim assignment during the investigation phase of the claim handling process, and changes are considered as the facts and circumstances of the loss develop. Reserves are reviewed each and every time the claim professional works a file, and all claims are reviewed for reserve adequacy by the claim supervisor.

PMA Management Corp. will consult with you on all reserve changes in excess of an agreed upon threshold. In addition, we will provide written notice of all major losses through the use of a large loss report form. Rationale for all reserves will be documented in claim file log notes, and will be detailed when reserve changes are requested.

- Efforts to enforce the Ninety (90) Day Panel Requirement;

PMA Management Corp. will utilize the following to manage the transition of in-scope service from the City:

- Develop Claims and Service Handling Guidelines
- Identify City preferred vendors
- Identify correlation with Panel Medical Providers & Pharmacies & PMA PPO network
- Meet with Defense Counsel and establish communication guidelines

In certain instances when treatment is performed outside the Panel and potentially outside PMA's PPO Network, there is an alternative program available to the City from PMA to assist in the process. PMA claims personnel can refer medical bills to our Medical Review Team (MRT) for analysis, including bills from providers outside of our network. In many cases, the MRT can do direct negotiations with these providers for additional savings. Such results can be carefully tracked by PMA's Managed Care reports.

PMA channels referrals for treatment and services within network, as allowed by jurisdictional rules. If a service or specialty is required that is not within network, referrals are made to selected out of network providers, as needed.

- Medical Bill Review Procedures;

Paper medical bills are mailed directly to our data capture partner, where they are converted to image and data files which are loaded into PMA's image repository and claim system. Additionally, providers have the option of billing electronically through our clearing house partner, P2P. All bills are run through a series of data validation and claim handler edits. All bills associated with a claim are reviewed to determine whether or not care has been pre-authorized by our medical management review nurse. All care that has not been pre-authorized is reviewed by our nurses to determine eligibility and appropriateness. Subsequently, bills are loaded electronically to our Medical Bill Review system, where fee schedule and state rules are applied. Bills are run through a series of edits designed to detect upcoding, unbundling, and other billing and coding discrepancies. These edits are reviewed by medical bill review staff with coding and clinical expertise, including our Complex Bill Review team, which is staffed with registered nurses and certified code review analysts.

For those bills received from "Out of Network" Providers, PMAMC will endeavor to negotiate discounts on your behalf. PMA's Out-of-Network Program provides defensible, reasonable and customary repricing and negotiated payments for non-network bills. Specific bill types, e.g., inpatient, outpatient, ambulatory services, are negotiated based on fair and reasonable rates for the service provided, within jurisdictional guidelines.

After clearing all of our internal reviews, the bills are electronically routed to our PPO partners for additional reduction to PPO contracted rates.

- Preferred Provider Networks (please include Lackawanna Specific Medical Providers in your network);

Coventry Workers' Comp Services is PMA's primary Preferred Provider Network, offering access to over 450,000 providers throughout the US which is the largest national provider in the workers compensation industry. The Coventry Integrated Network® is composed of some of the best known and most highly regarded PPO's in the nation, including The First Health Network, FOCUS Network, MetraComp Network, and other top-performing PPOs. This presents PMA with opportunities to increase network penetration and provide greater medical cost savings to our customers.

PMA's PPO Network Website Tool is an on-line directory that can help you to quickly and easily locate providers that participate in our PPO networks. The tool also allows you to easily create your own provider panels where jurisdictionally allowed. To access the PPO Network Tool, simply go our website, www.pmagroup.com, and click on the quick link for "Preferred Provider Networks". You can then search for network providers by Name or Region, or you can identify the providers that are closest to your address.

PMA Management Corp. is committed to helping you to reduce the medical costs of your claims by increasing network penetration and enabling you to refer injured workers to appropriate medical providers wherever jurisdictionally permitted.

- Case management philosophy;

PMA's Case Management Program is part of our PMA Medical Management Program. Our experienced Registered Nurses ensure that injured workers receive appropriate medical treatment with the best possible outcomes by maintaining a return-to-work focus. As workers' compensation medical costs continue to escalate industry-wide, a key strategy for PMA is to manage client costs through early return to work programs while achieving service excellence and generating tangible value for clients. The chart below lists examples of some of the cases that would be assigned for telephonic or field case management.

Telephonic Case Management	Field Case Management
Occupational Disease	Spinal Cord Injuries
Psychological/Stress Claims	Severe Burn Injuries
Neck/Back Injuries	Severe Head Injuries
Cumulative Trauma Claims	Crushing Injuries
Joint Fractures	Amputations
Hand Injuries	

PMA's Case Managers will assist in directing care to network facilities where allowed by jurisdictional rules. They will benchmark the medical treatment being provided to your injured employees in comparison to standardized treatment guidelines. If the medical treatment being

provided does not fall within those guidelines, the Case Manager will intervene by engaging a dialogue with the treating provider and/or by recommending a second opinion. This ensures that your employees receive the most effective and cost efficient treatment possible. Our Case Managers will also engage in problem solving to help facilitate recovery and avoid lost time from work.

Telephonic Case Management provides the broadest coverage of PMA's Case Management services. For some higher risk claims, due either to the severity of the injury or to the complexity of other contributing factors, Field Case Management can often provide the most effective solution. The use of Telephonic and Field Case Management can be tailored to meet our individual client needs. For many claims, a blend of the two case management methods will be most effective. Regardless of the delivery methods used, our Case Managers' goals will remain the same: To facilitate the best possible outcomes for every injury, and to return your injured employees to work as quickly and as safely as possible.

All case management activity will be documented on our claims system, which is available to our clients through our on-line Risk Management Information System, PMA Cinch. Our client-specific Special Handling Guidelines will establish the criteria by which Case Managers are assigned. Nurse Case Managers will not be assigned to any claim without client authorization.

Our Case Managers' emphasis on patient advocacy, coupled with the Claims Professional's objective adherence to the Workers' Compensation Act, will ensure that our client's claims are managed both fairly and aggressively.

- Assignment of nurse case managers;

Our nurse case managers work alongside our adjusters in our claims office. PMA Management Corp. can provide both on-site and telephonic case management. Fees for case management services are listed in our pricing proposal. PMA Management Corp. will work with the City of Scranton to establish case management referral criteria. Nurse case managers will only be utilized with the authority of the City of Scranton.

- Procedures to conduct independent medical exams;

IME's can be initiated when the length of disability exceeds expectations, the cause of the work injury is in question, a determination of the reasonability and/or necessity of a medical treatment plan is needed, or when physical capabilities for return-to-work at a modified job must be obtained.

The benefits and costs of an independent medical examination will be explained to you on a claim-by-claim basis, and will only be initiated upon your approval.

- Procedures regarding modified or light duty/return to work programs.

A formal Return-To-Work program is arguably the single most effective method of reducing your Workers Compensation claim costs. PMA Management Corp. recognizes that in order to successfully implement such a program, claim professionals must work in conjunction with managed care experts. We currently employ a disability management strategy on all lost-time claims.

PMA Management Corp.'s Return-To-Work program consists of:

- Ongoing three (3) point contact
- Modified work programs
- Independent medical examinations
- Vocational Rehabilitation

Our Claims Professionals will maintain ongoing contact with you and your injured workers in order to return them to work as soon as they are medically able.

We can assist you in developing a modified work program in which employees perform a modification of their regular job, or a different job altogether, until they are capable of resuming their normal work duties.

7. Disclose the maximum pending caseload for each adjuster proposed to work on this account, including information on what will occur if the maximum caseload per adjuster is reached or exceeded.

PMA's claims professional caseloads and support resources, such as our 24/7 Customer Service Center, are established to allow our claims professionals to give each claim the time and attention it requires. This allows us to complete more thorough investigations, and to exercise greater control over loss development. The average caseload handled by our claims professionals is typically 120 - 150 files depending on jurisdiction and line of business, with new average monthly assignments of 7 - 12 files

8. Provide a detailed implementation plan that outlines how you will phase in the delivery of services:
 - Timeline of how your firm will take over all existing claim files
 - Training of City of Scranton Staff on reporting claims
 - Meeting with personnel directly responsible for City of Scranton program

PMA Management Corp. has partnered with the City of Scranton since September 2013. As such, no transition/implantation plan would be required.

9. Selected vendor will agree to allow the City input on the selection of Third-Party Vendors.

PMA Management Corp. can work within most existing vendor relationships. We would look for additional details on the nature of those relationships before confirming our ability to comply with each one.

10. Provide a detailed description of your claim management system.

PMA Management Corp.'s Risk Management Information System combines state of the art technology with convenient on-line access and customized reporting packages. PMA Cinch, our

online information system, was developed to provide fast, easy access to your risk management data. We designed the system to be flexible, allowing us to meet our clients' most specific business needs.

Key Features

- Executive "Dashboard"
- New Claim Reporting with Immediate Claim Number
- Access to Detailed Claims Data
- Document Image Viewing Capability
- Report Generation
- Chart Generation
- Instant Adjuster Contact
- OSHA Tracking
- Risk Managers Diary System
- Reserve Increase Notification

PMA Cinch Executive Dashboard

PMA released a significant enhancement to PMA Cinch in 4Q 2011 called the PMA Cinch Executive Dashboard. The Executive Dashboard was designed to help clients track their loss history performance, monitor their progress and identify and prevent problems in their risk management programs.

PMA Cinch Executive Dashboard features include:

- Executive Summary Tool—An interactive tool making it easy for clients to organize and view both aggregate and individual claims information.
- Full Color Charts and Visuals—Data appears in easy-to-view graphs, charts and tables, enabling our clients to grasp information quickly and easily.
- More Flexibility and Data Analytics—Claims information can be customized according to individual user needs, for example, location, claims type, claims status, and accident date range.
- Comprehensive Data—Display elements are based upon extensive, detailed data in clients' loss reports.
- Ease of Use—The dashboard is highly intuitive and requires no training.

New Claim Reporting

PMA Cinch allows you to submit new claims to PMA Management Corp. via the internet. This allows for faster claim assignments and investigations, instant claim numbers, and more accurate data entry. Submitting claims is simple, as the system was designed with many drop-down menus for point-and-click operation.

Access to Detailed Claims Data

PMA Management Corp. understands that keeping you advised of the status of claims enables you to control your loss costs. Through PMA Cinch, we can provide you with detailed claim information that is updated on a daily basis. This includes:

- Claim Professionals' Log Notes

- Descriptions of Losses
- Summaries of Damages/Injuries
- Review of Liability
- Incurred / Paid / Reserve Histories
- Current Status Information
- Detailed Action Plans
- Payment Histories and Details

Image Viewing Capability

In addition to the above data, PMA Cinch provides our self-insured clients with the ability to view scanned images of the actual documents contained in the claim file. These include medical reports, police reports, attorney correspondence, and all medical and legal bills. You see what our adjusters see!

PMA Management Corp. utilizes imaging technology to operate in a "paperless" environment. This provides a fast, economical, and efficient way to store, retrieve and view claim information. The imaged file is the actual working document used by our claim professionals, not just a file copy. With this technology, the claim professional, supervisor, and client can simultaneously review the same report, without the need to generate multiple paper copies.

Report Generation

PMA Cinch allows our clients to generate loss reports based on information that is updated monthly. Standard Reports available through PMA Cinch include Detailed Loss Runs for all lines of business, Loss Summaries, Repeater Reports identifying claimants or employees with multiple files, Serious Loss Reports, and Reporting Lag Time Reports. Many of these can be sorted by location, by policy, or by status (open / closed).

In addition to the Standard Reports, we have the ability to provide custom and ad-hoc reports, giving you access to any loss information you need, whether it be on a frequent basis or a one-time review. There is typically no additional charge for these ad hoc reports

Sample Data Fields Captured in PMA Claims System

PMA Account Number * Mandatory	Claimant Hire Date
PMA Policy Number * Mandatory	Claimant Occupation
Claimant Name (First/Last) * Last Name Mandatory	Claimant Disability State Date
Claimant Address	Employer Know Date
Claimant Social Security * Mandatory	Last Day Paid
Claimant City	Jurisdiction State * Mandatory
Claimant State	Compensability Date
Claimant Zip Code	Claimant Compensation Rate
Claimant Phone Number	Average Weekly Wage
Accident Date * Mandatory	Return to Work Wage
Claim Entry Date	Claimant Returns to Full Duty Date
Accident State	Claimant Returns to Light Duty Date
Accident Location	Light Duty Offered Date



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Class Code	Light Duty Accepted
Class State	Claimant Max Improvement Date
Claims Status (Open/Closed)	Claimant Disability Percent
Claim Type (Lost time, Medical only, Record only)	Date of First Medical Service
Accident Report Date	Summary of Payments by Medical, Indemnity & Expense
PMA Accident Type * translated from NCCI codes	Detail of Medical Payments
Accident Description * field is up to 7 lines of 78 characters each	Detail of Indemnity Payments
Claimant Gender	Detail of Expense Payments
Marital Status	Claimant Hire Date
Claimant Age	Claimant Occupation
Claimant Age at time of Accident	Claimant Disability State Date
Claimant Date of Birth	Employer Know Date
Claimant Number of Dependents	Last Day Paid
Claimant Employee Status	Jurisdiction State * Mandatory

Chart Generation

The PMA Cinch analysis tool allows you to generate custom charts to assist you in analyzing your loss data. These charts can be created based upon the parameters you select, giving you the ability to customize your own visualization of the loss information.

Instant Adjuster Contact

With PMA Cinch, you have the ability to e-mail the adjuster assigned to a file while you are reviewing the claim. This allows you to request details about the loss while it is fresh in your mind.

OSHA Tracking

PMA Cinch can assist you in tracking losses for OSHA reporting. With PMA Cinch, you can add data to your claims, or remove claims from the log which are not reportable.

Risk Manager Diary System & Reserve Increase Notification

PMA Cinch allows users to follow specified claims using an automated diary system including an automated reserve increase notification feature. In addition, Cinch users can keep their own personal notes on these claims separate from the actual claim file notes. This allows our clients to closely monitor the developments of high profile cases.

PMA Management Corp. would welcome the opportunity to perform a live demonstration of the capabilities of PMA Cinch.

11. Confirm the ability and willingness to act as the City's agent in ensuring compliance with Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) including the completion of and reporting of all necessary claims, files and reports.

Section 111 established mandatory reporting requirements for group health plan arrangements and for liability insurance (including self-insurance), no-fault insurance, and workers' compensation insurance. Section 111 requires that these plans determine whether a claimant is entitled to Medicare benefits. PMA Management Corp. has partnered with Examworks to act as our reporting agent and will report to CMS on behalf of our clients.

12. Demonstrate Statement on Auditing Standards (SAS) 70.

PMA Management Corp. has obtained SSAE 16 (SOC1) Type 2 Certification (formerly known as SAS 70 – Level 2 certification) for our internal claim handling policies and procedures. This Certification assures that as a PMA client, your firm's "dollars" and "data" are operationally secure.

A copy of our SSAE Type II audit results available upon request.

Attachments

- Certificates of Insurance
- Signature Forms
- Sample WC Contract – Available Upon Request



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Arthur J. Gallagher Risk Management Services, Inc.
300 S. Riverside Plaza, Suite 1900
Chicago IL 60606

CONTACT NAME: Lakisha Ruffin
PHONE (A/C, No, Ext): 312-803-7406 FAX (A/C, No): 312-803-7443
E-MAIL ADDRESS: Lakisha_Ruffin@ajg.com

INSURER(S) AFFORDING COVERAGE
INSURER A: Federal Insurance Company NAIC # 20281

INSURED OLDREPU-04
Old Republic International Corporation
PMA Management Corp.
307 N Michigan Ave., 16th Floor
Chicago IL 60601-5382

INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES CERTIFICATE NUMBER: 1668459007

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	AUTH SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY					EACH OCCURRENCE \$
	☐ CLAIMS-MADE ☐ OCCUR					DAMAGE TO RENTED PREMISES (Ea occurrence) \$
						MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$
	☐ POLICY ☐ PRO-JECT ☐ LOC					PRODUCTS - COM/POP AGG \$
	OTHER:					\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS					PROPERTY DAMAGE (Per accident) \$
	☐ SCHEDULED AUTOS					\$
	☐ NON-OWNED AUTOS					
	UMBRELLA LIAB					EACH OCCURRENCE \$
	☐ EXCESS LIAB					AGGREGATE \$
	☐ DED ☐ RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					PER STATUTE OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y ☐ N ☐ N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
A	Fidelity Bond		81944199	7/1/2016	7/1/2017	Limit 20,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

Evidence of Insurance

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2014/01)

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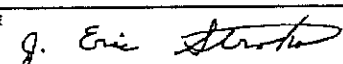
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ACORD™ CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YY) 01/23/2017
PRODUCER Brummel Brothers, Inc. 307 N. Michigan Ave. Chicago, Illinois 60601 (312) 762-4274	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURERS AFFORDING COVERAGE		
INSURED PMA Management Corp. Old Republic International Corporation 307 North Michigan Avenue Chicago, Illinois 60601	INSURER A: Old Republic Insurance Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES						
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☐ OCCUR				EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
	GEN'L AGGREGATE LIMIT APPLIES PER ☐ POLICY ☐ PRO-JECT ☐ LOC					
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN EA ACC	\$
					AUTO ONLY: AGG	\$
	EXCESS LIABILITY ☐ OCCUR ☐ CLAIMS MADE				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
						\$
						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
					E.L. DISEASE - POLICY LIMIT	\$
A	OTHER Professional Liability	0203946627	07/01/2016	07/01/2017	\$5,000,000 each occurrence \$5,000,000 aggregate	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS	
CERTIFICATE HOLDER City of Scranton 340 North Washington Avenue Scranton, PA 18503	ADDITIONAL INSURED; INSURER LETTER: CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 

ACORD 25-S (7/97)

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/23/2017

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).							
PRODUCER Aon Risk Services Central, Inc. 200 East Randolph Street Chicago, IL 60601				CONTACT NAME: Mike Tatum / Emily Truesdell PHONE (A/C/Nb, Ext): 312-381-4269 / 312-381-4259 FAX (A/C, Nb): EMAIL ADDRESS:			
INSURED PMA Management Corp. c/o Old Republic International Corporation 307 North Michigan Avenue Chicago, IL 60601				INSURER(S) AFFORDING COVERAGE INSURER A: Zurich American Insurance Co. NAIC# 16635 INSURER B: American Zurich Insurance Co. 40142 INSURER C: Continental Casualty Company 20443 INSURER D: INSURER E: INSURER F:			
COVERAGES THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested							
INSR LTR	TYPE OF INSURANCE	ADD. SUB. INSD. WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR ☐ GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC ☐ OTHER	X	GL 0269598 05	06/15/2016	06/15/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED. EXP (Any one person) PERSONAL & ADV. INJURY GENERAL AGGREGATE PRODUCTS - COMPIOPAGG	\$1,000,000 \$500,000 \$5,000 \$1,000,000 \$3,000,000 \$3,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY/AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NONOWNED AUTOS ONLY ☐ AUTOS ONLY	X	BAP0269599 05	06/15/2016	06/15/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$2,000,000
C	☒ UMBRELLA LIAB ☐ EXCESS LIAB ☐ DED ☐ RETENTION \$	X	5093924134	06/15/2016	06/15/2017	EACH OCCURRENCE AGGREGATE	\$25,000,000 \$25,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/SENIOR MEMBER EXCLUDED? (Mandatory in NH) If yes describe under DESCRIPTION OF OPERATIONS below	N/A	X	WC 0269596 05 (CED) WC 0269597 05 (RETRO)	06/15/2016 06/15/2017	☒ PER STATUTE ☐ OTHER EL EACH ACCIDENT EL DISEASE/EA EMPLOYEE EL DISEASE/POLICY LIMIT	 \$1,000,000 \$1,000,000 \$1,000,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (Attach ACORD 101, Additional Remarks Schedule, may be attached if more space is required) Certificate Holder is added as Additional Insured.							
CERTIFICATE HOLDER City of Scranton 340 North Washington Avenue Scranton, PA 18503				CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Aon Risk Services Central, Inc.			

ACORD 25 (2016/03)

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Attachment B. Affirmative Action Certification

During the term of this contract, Bidder agrees as follows:

- (1) Bidder shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age, sex or handicap. Bidder shall take affirmative action to insure that applicants are employed, and that employees or agents are treated during employment, without regard to their race, color, religious creed, ancestry, national origin, age, sex or handicap. Such affirmative action shall include, but is not limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training. Bidder shall post in conspicuous places, available to employees, agents, applicants for employment, and other persons, a notice to be provided by the contracting agency setting forth the provision of this affirmative action certification.
- (2) Bidder shall, in advertisements or requests for employment placed by it or on its behalf, state all qualified applicants will receive consideration for employment without regard to race, color, religious creed, ancestry, national origin, age, sex or handicap.
- (3) Bidder shall send each labor union or workers' representative with which it has a collective bargaining agreement to other contract or understanding, a notice advising said labor union or worker's representative of its commitment to this affirmative action certification. Similar notice shall be sent to every other source of recruitment regularly utilized by bidder.
- (4) It shall be no defense to a finding of noncompliance with this affirmative action certification that bidder has delegated some of its employment practices to any union, training program, or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the bidder was not on notice of the third-party discrimination or made a good faith effort to correct it, such a factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or of any training program or other source of recruitment will result in the exclusion of minority group persons, so bidder will be unable to meet its obligations under this affirmative action certification, bidder shall then employ and fill vacancies through other affirmative action employment procedures.
- (6) Bidder shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of bidder's

City of Scranton
Request for Proposal

Workers' Compensation and Heart and Lung Claims Third Party Administrator

noncompliance with affirmative action certification of this contract or with any such laws, this contract may be terminated or suspended, in whole or in part, and bidder may be declared temporarily ineligible for further City of Scranton contracts, and other sanctions may be imposed and remedies invoked.

- (7) Bidder shall furnish all necessary employment documents and records to, and permit access to its books, records, and accounts by, the City of Scranton Department of Business Administration, for purposes of investigation to ascertain Compliance with the provision of this certification. If bidder does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the City of Scranton Department of Business Administration.
- (8) Bidder shall actively recruit minority subcontractors or subcontractors with substantial minority representation among their employees.
- (9) Bidder shall include the provisions of this affirmative action certification in every subcontract, so that such provisions will be binding upon each subcontractor.
- (10) Bidder's obligations under this clause are limited to the bidder's facilities within Pennsylvania, or where the contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

DATE: 1/26/17

PMA Management Corp.
(Name of Bidder)

BY Michael McAuley

TITLE Sr. Vice President - Sales

City of Scranton
Request for Proposal

Workers' Compensation and Heart and Lung Claims Third Party Administrator

Attachment C. Certificate of Non-Segregated Facilities

The bidder certifies that he does not maintain or provide for his employees and segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The Bidder agrees that a breach of this certification will be a violation of the Equal opportunity clause in any contract resulting from acceptance of his bid. As used in this certification, the term "segregated Facilities," means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where he has obtained identical certifications from proposal sub-contractors for specific time periods) he will obtain identical certifications from proposed sub-contractors prior to the award of sub-contracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certification in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. §1001.

DATE: 1/26/17

PMA management Corp.
(Name of Bidder)

BY Michael Michalek

TITLE Sr. Vice President - Sales

City of Scranton
Request for Proposal
Workers' Compensation and Heart and Lung Claims Third Party Administrator

Attachment D. Non-Collusion Affidavit of Prime Bidder

STATE OF New Jersey
COUNTY OF Burlington
Michael MacAulay, being
first duly sworn, deposes and says that

1. He is Sr. Vice President - Sales
(Owner, partner, officer, representative or agent)
of PMA Management Corp., the Bidder that has
submitted the bid;

2. He is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, Representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other Bidder, or to Bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against the City of Scranton (Local Public Agency) or any person interested in the proposed Contract; and;
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by any collusion, conspiracy, connivance or unlawful agreement on the part of the bidder or any of its agents, representatives, owners, employees or parties in interest, including this affiant.

City of Scranton
Request for Proposal
Workers' Compensation and Heart and Lung Claims Third Party Administrator

Non-Collusion Affidavit
Signature Page

Michael Melolay

Signed _____

Sr. Vice President-Sales

(TITLE)

SUBSCRIBED AND SWORN TO BEFORE ME

THIS 26th DAY OF January
_____, 20 17

Kimberly DeFranco

KIMBERLY DEFRANCO
NOTARY PUBLIC OF NEW JERSEY

MY COMMISSION EXPIRES JULY 15, 2018

(TITLE)

MY COMMISSION EXPIRES July 15,
_____, 20 18



This presentation and the information set forth herein have been prepared by and is the property of PMA. You should not share, distribute, copy, republish, or reproduce any portion of this presentation without prior express written consent from PMA.

Attachment E. Disclosures by Current Contractors

1. Provide the names and titles of all individuals providing professional services to the City of Scranton Workers' Compensation and Heart and Lung program identified above including advisors and subcontractors, if any. After each name, please provide the responsibilities of that person with regard to the professional services provided to the City of Scranton Workers' Compensation and Heart and Lung Program.
 - List the names of any of the above individuals who are current or former officials or employees of the City of Scranton and their position;
 - List the names of any of the above individuals who has been a registered federal or state lobbyist and the date of the most recent renewal/registration.
2. Since January 1, 2011, have any of the individuals identified in paragraph two above been employed by the City of Scranton. If yes, please identify the individual by his/her name and position with the City of Scranton and dates of employment.
3. Since January 1, 2011, has the Contractor employed paid compensation to a third party intermediary, agent, or lobbyist to directly or indirectly communicate with any individual on the list of municipal officials in connection with any transaction or investment involving the Contractor and the Workers' Compensation and Heart and Lung Program. This question does not apply to any officer or employee of the Contractor who is acting within the scope of the Contractor's standard professional duties on behalf of the Contractor including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services or assistance pursuant to its professional services contract with the Workers' Compensation and Heart and Lung Program.
4. Since January 1, 2011 has any agent, officer, director, or employee of the Contractor solicited a third party to make a political contribution to any municipal official or candidate for municipal office in the City of Scranton or to the political party or political committee for whom the solicitation was made. If yes, please identify the agent, officer, director, or employee who made the solicitation; the individual or individuals who were solicited, and the municipal officers, candidates, political party, or political committee for whom the solicitation was made.
5. Since January 1, 2011, has the contractor made any Contribution to a municipal official or candidate for municipal office in the City of Scranton. If yes, please identify the recipient, the amount, and the date of the contribution.
6. Does the Contractor have a direct financial, commercial, or business relationships with any individual on the List of Municipal Officials. With regard to every municipal official for which the answer is yes, identify that individual and provide a detailed written description of that relationship.
7. Since January 1, 2011, has the Contractor conferred any gift of more than nominal value to any individual on the List of Municipal Officials. A gift includes money, services, loans, travel, and

City of Scranton
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entertainment, at value or discounted value. With regard to every municipal official for which the answer is yes, identify the recipient, the gift, and the date it was conferred.

8. Did the Contractor make political contributions the meet all of the following four criteria: (i) The contribution was made at any time since January 1, 2011; (ii) the contribution was made by an officer, director, executive-level employee, or owner of at least five percent (5%) of the Contractor; (iii) the amount of the contribution was at least \$500.00 in the form of either a single contribution by an officer, director, executive-level employee or owner of at least five percent (5%) or the aggregate of all contributions by all officers, directors, executive-level employees, and owners of at least five percent (5%) and (iv) the contribution was made to a candidate for any public office in the Commonwealth of Pennsylvania or to an individual who holds that office, or to a political committee of a candidate for public office in the Commonwealth of Pennsylvania or of an individual who holds that office. If yes, then the Contractor shall provide the following information: the name and address of the contributor, the contributor's relationship to the Contractor, the name and office or position of each recipient, the amount of the contribution, and the date of the contribution.
9. Regarding the provision of professional services to the City of Scranton Workers' Compensation and Heart and Lung Program, are you aware of any conflicts of interest, whether apparent, potential, or actual, with respect to any officer, director, or employee of the Contractor and officials or employees of the City of Scranton. If yes, please provide a detailed written explanation of the circumstances which you believe provide a basis to conclude that an apparent, potential, or actual conflict of interest may exist.
10. Please provide the name(s) and person(s) completing this form. One of the individuals identified by the Contractor in paragraph two must participate in completing this form and must sign the verification statement below.

VERIFICATION

I, Michael MacAulay, hereby state that I am Sr. Vice President Sales
for PMA Management Corp., and am authorized to make this verification.

I verify that the facts set forth in the foregoing Act 44 Disclosure Form for entities providing professional services to the City of Scranton are true and correct to the best of my knowledge, information, and belief. I understand that false statements herein are made subject to penalties of 18 P.A.C.S section 4904 relating to unsworn falsification to authorities.

Signed: Michael MacAulay Date: 1/26/17



DEPARTMENT OF LAW

CITY HALL • 340 NORTH WASHINGTON AVENUE • SCRANTON, PENNSYLVANIA 18503 • PHONE: 570-348-4105 • FAX: 570-348-4263

March 20, 2017

To the Honorable Council
Of the City of Scranton
Municipal Building
Scranton, PA 18503

RECEIVED
MAR 20 2017

Dear Honorable Council Members:

OFFICE OF CITY
COUNCIL/CITY CLERK

ATTACHED IS A RESOLUTION AUTHORIZING THE MAYOR AND
OTHER APPROPRIATE CITY OFFICIALS TO EXECUTE AND ENTER INTO A
CONTRACT WITH PMA MANAGEMENT CORP. FOR CITY OF SCRANTON SELF-
INSURED WORKERS' COMPENSATION AND HEART AND LUNG CLAIMS
THIRD PARTY ADMINISTRATION FOR A PERIOD OF THREE (3) YEARS FROM
APRIL 1, 2017 THROUGH MARCH 31, 2020.

Respectfully,

Jessica L. Boyles, Esquire
City Solicitor

JLB/sl