



Seniors Ride Free
People with Disabilities Ride Free
Fraud Audit
Review of Vendor's Contract Compliance

Prepared by the RTA Audit Department

May 2011

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Executive Summary

This report summarizes the results of the RTA Audit Department's review of the vendor's compliance with the contract entered into on January 20, 2010 between the Regional Transportation Authority (RTA) and ScreenCheck North America, LLC (ScreenCheck). The contract covers the performance of several key functions associated with the Seniors Ride Free (SRF), People with Disabilities Ride Free (PDRF), and Reduced Fare programs, including application review, data entry, card production and distribution, and database management for the period of January 1, 2010 to December 31, 2014.

The review identified several recommendations to enhance compliance with the contract and overall internal control of the operation, including security, receiving and processing applications, permit stock storage, mailing schedule, disaster recovery and planning, DBE compliance, and insurance requirements.

The RTA Audit Department wishes to thank the staff of ScreenCheck for the cooperation demonstrated throughout the conduct of the audit and for their efforts in assisting with the review.

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- Scope of Services (Contract - Exhibit A)
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- Performance Analysis

Introduction

The RTA has managed the Seniors Ride Free (SRF) and People with Disabilities Ride Free (PDRF) programs since their inception in 2008. These programs allow eligible seniors and those with disabilities to ride free on fixed-routes operated by the CTA, Metra and Pace.

The RTA 2010 External Audit Workplan included a fraud audit of the SRF program. This audit was segmented into multiple phases. The first phase report was issued in September 2010, and focused on the continued usage of cards issued to SRF riders after they had died. In March 2011, the second phase report, which focused on the administrative controls over the SRF and PDRF programs, was issued. This third and final phase of the audit sought to ensure that the external vendor was in compliance with the existing contract.

Audit Objective

Assess ScreenCheck's compliance with the existing contract which includes the review of customer applications, data entry, production and distribution of permits, and management of the RTA's database.

Scope of Audit

To achieve the above objective, the following activities were performed:

- Interviewed ScreenCheck staff to gain an understanding of their role in the card issuance, card replacement, and database management functions.
- Performed testing of customer applications and database records to assess the application review and data entry processes.
- Conducted testing of customer application process to assess compliance with the terms of the contract scope of services.
- Through observation and inquiry at contractor's and subcontractor's facilities, assessed compliance with contractual requirements regarding access controls, safeguarding of data and card inventory, insurance, disaster recovery preparedness, DBE compliance, and oversight of subcontractors.

Background

The RTA administers both the SRF and PDRF programs. These functions are managed by staff located in the RTA Administrative Services Department, Customer Service. The

RTA also maintains a Customer Service Center at 165 N Jefferson St, Chicago where applications are accepted and entered into the customer database. Applications are also accepted at 189 sites in the region that participate in the program. These remote centers forward their applications to the ScreenCheck facility located at 2621 Corrinado Ct, Fort Wayne, IN where the applications are reviewed and entered into the customer database. ScreenCheck also handles the production and distribution of fare media to customers along with management of the RTA's database.

RTA audit staff visited ScreenCheck's facility on March 28-30, 2011 in order to observe the physical plant, meet with management and staff, observe the processing of applications and cards, and perform testing in order to assess their compliance with the existing contract.

ScreenCheck also utilizes the services of subcontractors to assist with the performance of its responsibilities. The primary subcontractors that are utilized, and the functions they perform, are as follows:

- ABC Data Entry, located at 311 N Aberdeen St, Chicago, IL, performs printing and mail merge services for card renewal letters.
- PostMasters, located at 2101 Fillmore St, Fort Wayne, IN, provides mail sorting, addressee validation, and mailing of cards and letters.
- Indiana Data Center, located at 602 W Coliseum Blvd, Fort Wayne, IN, provides hosting services for ScreenCheck's database applications.
- Solutions Implementation, located in Fort Wayne, IN, provides personnel services and payroll administration.

During the course of our review, we conducted on-site inspections of ABC Data Entry, PostMasters, and Indiana Data Center. Observations and recommendations pertaining to the subcontractor's facilities are noted in the applicable contractor's services section below.

Contractor's Services

We assessed ScreenCheck's compliance with its contract with the RTA, primarily focusing on the Scope of Services (Exhibit A) which delineates the specific tasks associated with their responsibilities. The sections noted below correspond to the categories in the Scope of Services. DBE compliance, which is addressed separately in the DBE compliance plan (Exhibit D), was also tested. See Appendices for Exhibit A and Exhibit D.

Establish and Maintain Business Entity

We conducted an inspection of the ScreenCheck facility along with inspections of the subcontractors handling key responsibilities, namely ABC Data Entry, PostMasters, and Indiana Data Center. All facilities appeared to be secure and afford adequate protection for the equipment used to process RTA work and for the RTA's data and files. Access to each of the facilities was restricted to authorized individuals through a combination of locked entrances and/or staffed reception areas.

Personnel

Staff at ScreenCheck and the subcontractors appeared to be well-qualified and knowledgeable regarding the functions for which they were responsible.

- ScreenCheck is capable of employing temporary workers to assist with the application review, data entry, and card production and distribution functions. Such an approach is currently being implemented in conjunction with the card reissuance initiative associated with the fare program changes currently underway.
- ABC Data Entry is also able to accommodate increased volumes of outgoing customer letters in its current facility. Significantly increased volumes are accommodated through a partnership with an affiliated company that maintains a larger production facility in Oak Park, IL. At the time of our visit, ABC indicated that it was utilizing the services of this affiliate in order to handle the printing and mailing of 437,000 letters to all SRF card holders in April 2011. This arrangement enabled ABC to fulfill the RTA's requested timeline for printing and mailing this large volume of letters.

Due to the nature of the data handled by ScreenCheck, new employees are required to attend an informational training session pertaining to the proper handling of sensitive data. Topics covered include privacy, security and penalties associated with noncompliance. While the class is titled *HIPAA Training*, we believe that the information conveyed to participants is particularly relevant given the sensitivity of the data handled by ScreenCheck for the RTA.

Physical Plant

The facilities used for the production of permits, secure storage of card stock, and the secure storage of records and file were generally compliant with the contractual requirements. Suggested opportunities for improvement were identified:

- Card stock is controlled through the use of a locked cabinet. The key to the cabinet is under the control of individuals responsible for card production.

Inventory logs are not being used to record changes to card stock. A list of SmartCard numbers received from the CTA is used to track card numbers so that proper sequencing is maintained in the production process, however, this list is not used to reconcile card usage to the inventory of unused card stock. We recommend that ScreenCheck devise a method of tracking card inventory so that all cards are properly accounted for and in which card usage is balanced to the inventory level on a periodic basis.

- Printing errors occasionally occur during the card production process. When such errors occur the incorrectly printed cards are stored in a container within the locked cabinet used to store the unused card stock. The spoiled cards are eventually destroyed by ScreenCheck on a periodic basis, generally once a year. We recommend that the RTA provide direction to ScreenCheck regarding the disposition of these cards so that there is a proper accounting for the spoiled card stock by ScreenCheck, RTA and the CTA.
- An exception was noted at the subcontractor where ScreenCheck stores the RTA's database. The Indiana Data Center facility does not maintain a fire suppression system that would minimize the loss of data in the event of an incident in the facility. We recommend that ScreenCheck continue to investigate alternatives that would provide protection to the RTA's database stored in the Indiana Data Center facility.
- We noted that ScreenCheck does not have a documented disaster recovery plan. In the event of a catastrophic incident impacting its current facility or any of its subcontractors, the steps needed to ensure continued production and distribution of cards and management of the database should be documented. Testing of its ability to recover data from the backup servers should also be performed periodically in order to identify any issues that should be addressed proactively.

Equipment

Through observation of the equipment housed at each of the facilities, the equipment at ScreenCheck and the subcontractors appears to be capable of meeting the RTA's required volume for card production and mailing to customers. Capacity is scalable and should be able to easily accommodate normal volume fluctuations.

Security

Computer files and database records are maintained off-site at the Indiana Data Center facility which is located in Fort Wayne, a few miles from ScreenCheck. We conducted an inspection of this facility to assess whether it complied with the contract which requires daily file backups and storage of these backups in a separate location.

During our review we noted that database backups are stored on separate servers that are located in the same computer room where the primary servers are stored. While these servers are housed in separate racks they are subject to loss in the event that the main computer room is damaged. We recommend that the backups be relocated to a different physical location separate from the main computer room so that they are not at risk in the event that the main computer room is disabled.

A review of the Certificate of Liability Insurance was performed in order to ensure that the Contractor is compliant with the insurance requirements specified in the contract, Article 6 and Exhibit E. The contractor is required to maintain insurance as specified in Exhibit E and furnish certificates evidencing such insurance to the RTA.

The Certificate of Liability Insurance in the possession of the RTA was noted as having several deficiencies, namely:

- The Northeastern Illinois Regional Transportation Authority (RTA) is not listed as an additional insured on a primary, non-contributory basis. The certificate currently being held lists PLR IP Holdings, LLC as an additional insured.
- The certificate is not current, with a policy termination date of 8/4/2010.
- There is no Worker's Compensation coverage indicated on the certificate. There is a requirement for \$500,000 coverage.
- Comprehensive General Liability coverage is insufficient. While \$2,000,000 is required per incident the coverage is only for \$1,000,000 per incident.
- Professional Liability coverage of \$2,000,000 is required; however such coverage is not separately enumerated. It is unclear whether adequate coverage is in place.

At the time of the site visit we obtained a current Certificate of Liability Insurance from ScreenCheck. The certificate was dated 3/22/11, and the RTA is listed as the certificate holder. Deficiencies noted above regarding the adequacy of the coverage continue to be an issue, specifically:

- There is no Worker's Compensation coverage indicated on the certificate. There is a requirement for \$500,000 coverage.
- Comprehensive General Liability coverage is insufficient. While \$2,000,000 is required per incident the coverage is only for \$1,000,000 per incident.
- Professional Liability coverage of \$2,000,000 is required; however such coverage is not separately enumerated.

We were unable to determine whether the deficiencies noted above are covered by other types of insurance that ScreenCheck currently carries. We recommend that ScreenCheck assess the adequacy of coverage for each of the required types of insurance and modify its coverage, if necessary. Updated copies of the certificates should be forwarded to the

RTA each time the policy is renewed or modified. RTA should develop procedures to ensure that the certificate in its possession is current and includes all required coverage.

Database Maintenance/Changes in Design and Software

Through interviews with RTA staff, we determined that ScreenCheck does maintain the database and provide support as requested. During our interviews with ScreenCheck staff, suggestions for improving processes and procedures were offered. For example, it was indicated that the daily Obsolete Card Report could be modified to remove damaged cards and that the entire file could be loaded on an ftp site for retrieval by the CTA. We encourage the RTA to actively partner with ScreenCheck and the CTA to identify and implement enhancements to current procedures in order to reduce the number of manual processes required to maintain the database and improve the accuracy of data.

Receive and Process Applications

Applications for the SRF and PDRF programs that are completed at the remote centers are submitted to ScreenCheck on contract with the RTA. Prior to being sent to ScreenCheck, PDRF applications are first sent to the RTA Customer Service Center for verification of eligibility for the Circuit Breaker Program. ScreenCheck is responsible for reviewing applications, data entry, card production and card distribution. Applications received at 165 N Jefferson, Chicago undergo slightly different procedures, with RTA staff conducting the application review and data entry, and ScreenCheck only being responsible for card production and distribution.

We observed staff entering applications into the database in order to assess the extent of the review process and whether there is a reasonable attempt to determine whether customers already have records. Based on these observations, it appears that staff is knowledgeable regarding the review process, conscientious in its execution, and exerts a reasonable effort to identify potential duplicate records in the database.

In order to test the application review and data input processes, a sample of 40 applications for SRF and PDRF permits were reviewed to determine whether the application was properly completed, signed by the applicant and included a copy of the applicant's proof of age. The data input process was tested by verifying that the applicant's record in the ScreenCheck database correctly reflected the information contained on the application. Our testing identified ten instances in which the applicant presented an expired driver's license or state ID card. No other issues were noted.

During our visit to ScreenCheck, we were informed that the RTA recently changed the requirements pertaining to acceptable forms of identification used to corroborate the applicant's age. Expired driver's licenses or state IDs are no longer considered acceptable. Applications that include expired identification are returned to the applicant for resubmission.

We recommend that the RTA document the overall application review process and communicate to ScreenCheck any changes so that a consistent approach is used to assess the adequacy of each application.

Mailing Schedule

We reviewed a sample of batches of applications received during the 1st quarter of 2011 for the purpose of assessing whether they were processed and permits were issued within 1-2 weeks from the receipt of the applications. We identified several instances in which the permits were not mailed within the required timeframe, and in some cases the permits were not mailed until 3 weeks after the receipt of the application.

We also reviewed a sample of Reduced Fare applications to determine whether incorrect/incomplete applications were returned to the applicant for resubmission within 7 business days of original receipt. Using the 1st quarter of 2011 as our sample period, we found several instances in which the applications were not returned to applicants within this timeframe, and in some cases they were not mailed until 3 weeks after the receipt of the application.

ScreenCheck provided a detailed analysis of the batches that were processed during the month of January 2011 that supports the observations noted above. While the worksheet was not audited by the RTA, we believe it illustrates the processing time associated with each of the batches that were received during the month and can be used to benchmark current processing times.

Mailing Materials

During our review of the PostMasters facility, we were informed that each outgoing letter is verified against one or more databases in order to ensure the accuracy of the delivery address. Additionally, each letter is also barcoded with the appropriate zip code identifier (11 digits) which provides added assurance of delivery to the proper location. These efforts to validate the recipients address and direct the letter to the correct place are sound practices that reduce the likelihood of misdirected mail.

Invoices

We reviewed invoices for services performed during 2010 in order to ensure that the rates charged by ScreenCheck were consistent with the contractual prices per Exhibit B. No exceptions were noted.

Prompt Payment

We reviewed all payments made to the DBE subcontractor during 2010. All payments were made in accordance within the specified timeframe, which requires payment within 30 calendar days from the receipt of each payment from the RTA.

Disadvantaged Business Enterprise (DBE) Compliance Plan

ScreenCheck is utilizing the services of ABC Data Entry to perform printing and mail merge services for renewal letters. We verified that this subcontractor is a certified DBE by querying the Illinois Unified Certification Program directory, which is utilized by IDOT, the City of Chicago, CTA, Metra and Pace as a resource for the five participating agencies.

ScreenCheck's DBE participation commitment for this project is 25%. At the time of the contract, they anticipated achieving this subcontracting level by using two DBEs for a variety of services including printing, mail merge, renewals, cards, ribbon and laminate. Our review of the RTA Monthly DBE Compliance Reports for 2010 indicated that the DBE goal is not being met. The December 2010 full year percentage is shown as 15%, which is seriously deficient. Additionally, our detailed review of the monthly reports revealed an error in calculating the year-to-date percentage in June 2010, with the effect of this error carried forward for the remainder of the year. As a result, the actual full year percentage is only 13.7%.

Observations and Recommendations

While the observations noted below were all identified in conjunction with the inspections of the ScreenCheck facility and its subcontractors, the RTA will need to provide guidance through the development of procedures to address some of the proposed recommendations. These procedures will need to be aligned with the processes currently employed by ScreenCheck in order to ensure the appropriateness of any modifications to existing practices.

1. Ensure that the RTA's database is adequately protected

Observation: Our inspection of the Indiana Data Center hosting facility indicated several deficiencies that may not adequately protect the RTA's data in the event of an incident at the facility. We observed the following during our review:

- Database backups are stored on separate servers that are located in the same computer room where the primary servers are stored. While these servers are housed in separate racks they are subject to loss in the event that the main computer room is damaged.

- The facility does not maintain a fire suppression system that would minimize the loss of data in the event of an incident in the facility.

Recommendation: Database backups should be relocated to a different physical location separate from the main computer room so that they are not at risk in the event that the main computer room is disabled. Ideally, the location would be at a remote facility so that the database is secure in the event the entire Indiana Data Center is inoperable. We also recommend that ScreenCheck continue to investigate alternatives that would protect the RTA's database in the event of a fire at the Indiana Data Center facility.

ScreenCheck Response: *ScreenCheck will work with Indiana Data Center to establish an offsite backup of the databases. This will likely consist of a backup either directly to, or transported to, the ScreenCheck Office Location.*

Additionally, ScreenCheck will work with the Indiana Data Center to ensure they have explored all possible alternatives and Industry "Best Practices" to reduce or eliminate the risk of loss of data because of a fire.

These tasks are high priority tasks and will be completed and reported back to the audit team by September 1st.

2. RTA should develop, document, and issue written procedures for the administration of the SRF and PDRF programs

Observation: Our testing of the application review and data input processes identified several instances in which applicants presented expired driver's licenses or state ID cards. During our visit to ScreenCheck, we were informed that the RTA recently changed the policy concerning acceptable forms of identification, whereby expired IDs were no longer permitted.

Recommendation: The RTA should ensure that the overall application review process is fully documented and communicated to ScreenCheck so that a consistent approach is used to assess the adequacy of each application.

ScreenCheck Response: *ScreenCheck will work with the RTA to establish a full set of procedures for processing SRF and PDRF programs. Additionally a change control procedure will be established to require an approval process before any procedure change can be implemented.*

Since this requires RTA cooperation an end date is not known at this time, however we will work to complete this task as quickly as possible.

RTA Response: *The RTA is in the process of developing procedures for the administration of all programs administered by the Customer Service Department. We anticipate this to be complete by July 1, 2011.*

3. Develop inventory control system for card stock

Observation: ScreenCheck currently controls unused card stock with the use of a locked cabinet, access to which is controlled with a limited number of keys. However, cards removed from inventory are not balanced to the inventory holdings to ensure that there is an accounting for all cards.

Recommendation: ScreenCheck should devise a method of tracking card inventory so that all cards are properly accounted for and in which card usage is balanced to the inventory level on a periodic basis.

ScreenCheck Response: *ScreenCheck will develop an inventory control system which matches and balances ordered card blanks, encoded cards and used cards. The process will establish a reconciliation of all cards including used, scrap, and non-personalized cards. This will require communication from the CTA regarding card scrap and their current inventory to be fully implemented.*

ScreenCheck has already started establishing procedures for tracking cards through the process and has started a process of systematically recording scrap cards in the system. This task will be completed by September 1st.

4. RTA should develop procedures surrounding the handling of spoiled card stock

Observation: Spoiled cards resulting from errors in the printing process are stored in a container within the locked cabinet used to store the unused card stock. The incorrectly printed cards are eventually destroyed by ScreenCheck on a periodic basis, generally once a year.

Recommendation: We recommend that the RTA provide direction to ScreenCheck regarding the disposition of these cards so that there is a proper accounting for the spoiled card stock.

ScreenCheck Response: *ScreenCheck will work with the RTA to establish a full set of procedures for processing and final disposition of scrap “spoiled” cards. This will be an additional component of the card inventory system. This will be including, but not limited to, sending the numbers to the CTA for removing from the system as active cards and disposal of the actual cards. As stated earlier, ScreenCheck has already started development of an internal system for managing and recording scrap cards.*

This task will be complete by August 1st.

RTA Response: *RTA staff will work with ScreenCheck in the development of this procedure.*

5. Ensure compliance with the contractual processing schedule

Observation: Applications are not being consistently processed in accordance with the guidelines specified in the contract. Cards are supposed to be mailed to customers within 1-2 weeks from the receipt of their application, and we identified several instances in which the permits were not mailed within the required timeframe. Similarly, Reduced Fare applications that are rejected due to incorrect/incomplete information are supposed to be returned to the applicant for resubmission within 7 business days of original receipt, and we identified numerous instances in which they were not returned to applicants within this timeframe.

Recommendation: Applications should be processed and cards or rejection letters should be mailed in accordance with the contractual processing schedule. Staffing levels should be adequately maintained to ensure that production deadlines are met, including the use of overtime and/or temporary personnel, if necessary.

ScreenCheck Response: *ScreenCheck always works very hard to get applications processed within or even sooner than the required 1-2 weeks. Our overall on-time delivery percentage is always quite good, and on a card by card basis – we exceed the 2 week response time a very high percentage of the time. Additionally, we have made some commitments to always prioritize the “daily” batch and make it a priority to get that out as quickly as possible and this sometimes impacts the ability to get the other batches processed.*

The period that the audit was performed on our on-time processing was January 2011. This particular time of year is problematic because the holidays in December get our processing behind. Additionally, this January ScreenCheck was closed completely or partially for two days because of severe weather causing further delays in processing. However, ScreenCheck will work to achieve full compliance on the required response time of 1-2 weeks for applications and rejections. ScreenCheck will implement a report showing batches in-house and the received date vs. mail date to measure our response time. This report will be available to be viewed by the RTA. (A report similar to this was created and provided to the audit team to evaluate our on time performance and is also attached to this document.) If for any reason we are not achieving the required response time, ScreenCheck will communicate to the RTA why it happened and what we will do to achieve the desired response time.

The reporting and tracking tasks will be completed by November 1st. The execution of this will continue through the end of the contract.

6. Develop a disaster recovery plan and perform periodic testing

Observation: ScreenCheck does not have a documented disaster recovery plan addressing its responses to potential catastrophic incidents impacting its current facility or any of its subcontractors.

Recommendation: ScreenCheck should document its plans to ensure continued production and distribution of cards and management of the database in the event of an incident affecting its facility or one of its subcontractors. Testing of its ability to recover data from the backup servers should also be performed periodically in order to identify any issues that should be addressed proactively.

ScreenCheck Response: ScreenCheck currently utilizes the Indiana Data Center as a hot disaster recovery site. We have an agreement with the data center and our plans are to be able to move there within 24 hours and be up and running in the event of a failure of our building or operations. However, this is not currently fully documented and there are areas which we need to plan, test and coordinate for equipment and software to execute the plan. ScreenCheck will develop a fully documented disaster recovery plan which will include people, moving, equipment, facilities, communications and regular test plans. It is expected that we could be fully operational for the RTA contract within 24-36 hours.

This disaster recovery plan will be developed, tested and implemented by October 1st.

7. Ensure compliance with the DBE compliance plan

Observation: Our review of the RTA Monthly DBE Compliance Reports submitted by ScreenCheck for 2010 indicated that the DBE goal is not being met. ScreenCheck's DBE participation commitment for this project is 25%, and the December 2010 full year percentage is shown as 15%, which is seriously deficient. Additionally, our detailed review of the monthly reports revealed an error in calculating the year-to-date percentage in June 2010, with the effect of this error carried forward for the remainder of the year. As a result, the actual full year percentage is only 13.7%.

Recommendation: ScreenCheck should develop a multi-year plan that documents its approach to achieve the DBE goal, including annual targets that can be benchmarked to ensure that the goal will be met at the end of the contract term.

ScreenCheck Response: ScreenCheck takes the DBE goal very seriously and works hard to achieve compliance in this area. As stated during the audit, our DBE plan included sourcing the cards from a DBE as well as doing renewal mailings and sourcing printed materials from a DBE. However, very early in this contract the vendor supplying the blank cards to the DBE stopped producing the cards. Because the cards are such a vital part of the contract – ScreenCheck took a more active role in trying to source cards. However, we will continue to look into various ways of achieving compliance of the DBE goal.

This particular goal will be an ongoing process, but ScreenCheck will work with our current DBE as well as look at opportunities where another DBE might be used for

other parts of the project. We expect to be fully compliant by the end of the current contract.

8. Assess and document adequacy of required insurance coverage

Observation: ScreenCheck is required to furnish certificates evidencing insurance to the RTA. Our inspection of the Certificate of Liability Insurance held by the RTA was deficient in many respects, including:

- The Northeastern Illinois Regional Transportation Authority (RTA) is not listed as an additional insured on a primary, non-contributory basis. The certificate currently being held lists PLR IP Holdings, LLC as an additional insured.
- The certificate is not current, with a policy termination date of 8/4/2010.
- There is no Worker's Compensation coverage indicated on the certificate. There is a requirement for \$500,000 coverage.
- Comprehensive General Liability coverage is insufficient. While \$2,000,000 is required per incident the coverage is only for \$1,000,000 per incident.
- Professional Liability coverage of \$2,000,000 is required; however such coverage is not separately enumerated. It is unclear whether adequate coverage is in place.

At the time of the site visit to ScreenCheck we requested and obtained a current Certificate of Liability Insurance. The certificate was dated 3/22/11, and the RTA is listed as the certificate holder. Deficiencies noted above regarding the adequacy of the coverage continue to be an issue, specifically:

- There is no Worker's Compensation coverage indicated on the certificate. There is a requirement for \$500,000 coverage.
- Comprehensive General Liability coverage is insufficient. While \$2,000,000 is required per incident the coverage is only for \$1,000,000 per incident.
- Professional Liability coverage of \$2,000,000 is required; however such coverage is not separately enumerated. It is unclear whether adequate coverage is in place.

Recommendation: We recommend that ScreenCheck assess the adequacy of coverage for each of the required types of insurance and modify its coverage, if necessary. Updated copies of the Certificates of Liability Insurance should be forwarded to the RTA each time the policy is renewed or modified. RTA should develop procedures to ensure that the certificate in its possession is current and includes all required coverage.

ScreenCheck Response: *ScreenCheck is not required to carry Worker's Compensation insurance. All employees who are not owners are leased employees. The company from*

which we lease the employees carries the insurance. Owners are not required to be covered. ScreenCheck is covered by \$5,000,000 in General Liability insurance, but per our insurance carrier it is common practice to issue certificates with a lesser amount showing. We will have a new certificate issued with the full amounts shown. Additionally, the certificates will be sent to the RTA each time the policy is renewed or modified.

Screencheck will complete this task by May 31st .

SCOPE OF SERVICES

The Contractor will perform the complete operation of application review, data entry and production and distribution of the RTA Special Transit permits for the period January 1, 2010 through January 1, 2014. The production and distribution of these permits will include the following tasks:

A. Establish and Maintain Business Entity

The Contractor will provide the required resources, including staff to perform and successfully complete the work as indicated in these specifications. The Contractor must provide, establish, and maintain a secure facility for the processing of permits and the storage of data. This includes production equipment, computer equipment and the secure storage of data and hard copy files.

B. Personnel

The Contractor will be responsible for the supervision of all employees working on the program. The Contractor will provide qualified, proficient, experienced technical personnel and supervise those persons in such a manner to successfully perform all of the requirements within the specified time and with a high quality of product. Personnel must successfully work and cooperate with RTA staff working in the Reduced Fare and ADA Paratransit Certification Program areas.

In order to assure that the production deadlines are met, the Contractor will take measures such as overtime and/or use of temporary personnel, if necessary. Such additional costs will be the responsibility of the Contractor.

C. Physical Plant

The Contractor will provide a physical plant or premises for the production of permits, the secure storage of card stock, and the secure storage of necessary records and files (records and files will be shipped to a records management company designated by the RTA when no longer needed for card production). The facility must be fire-proof, with an appropriate internal fire sprinkler system. Any changes and/or moves from the initial location will require prior approval of the RTA.

The RTA reserves the right to inspect the Contractor's facilities at any time to ensure that the requirements of the contract are being upheld.

D. Equipment

The Contractor will select the type and quantities of equipment. The required equipment must be capable of producing not less than 15,000 permits per month on a continuous basis for the duration of the contract, with an equipment availability of not less than 75% at any given time.

E. Security

The facility must have internal and perimeter security to restrict access to authorized personnel. All Contractor computer files and database records must be backed up on a daily basis and stored in a fireproof enclosure different and distant from the main computer equipment and records storage.

The Contractor is responsible for the security of all RTA furnished items. In addition to any other insurance requirements established by the RTA, the Contractor must have such insurance coverage to cover any occurrences that may impede normal production. The Contractor will manage the activities of personnel to preclude the manufacture and/or issuance of permits in an unauthorized manner.

F. Database Maintenance/Changes in Design and Software

The Contractor is to upgrade and maintain the RTA Reduced Fare database. The database contains approximately 525,000 active records that include all relevant data on permit holders including name, address, permit status and photo images. These records also provide administrative functions including renewal notifications, administrative reports, and permit holder historical data.

The Contractor is responsible for making changes in the database design and software as requested by the RTA.

The Contractor is to process electronic files created by RTA's Customer Service staff. The RTA will be the beneficial owner and user of any commercial software and/or licenses to be procured by the Contractor for this program.

G. Receive and Process Applications

The Contractor will develop a match and track system to address the categories of eligibility. The Reduced Fare applications and Ride Free applications will be mailed directly to the Contractor by the Regional Registration Centers. The Contractor will review the Reduced Fare applications, determine completeness/eligibility, and process the applications. Reduced Fare incorrect/incomplete applications are recorded and returned to the applicant for resubmission. The Reduced Fare Eligibility and Process Criteria have been provided.

The RTA ADA Paratransit staff will have the ADA Paratransit request for permits delivered directly to the Contractor. The Contractor will receive requests for ADA Paratransit permits with predetermined eligibility assigned, a copy of the required identification and applicant's photo. The Contractor will produce and distribute a permit based on the information received.

H. Permit Production/Stock and Specifications

There are two types of card stock. The first type is magnetic strip that is inserted into automated fare collection equipment of the CTA and Pace. The second type is the Smart Card that features a microchip that enables the rider to scan rather than insert it into the automated fare collection system.

I. Magnetic Strip Permit

The Contractor must provide magnetic strip permit stock. The Chicago Transit Authority ("CTA") encodes the permits prior to production and distribution as reduced fare permits. Currently, the stock is shipped directly to the CTA. The CTA holds the stock until requested to ship a quantity to the Contractor. The CTA ships the permit stock to the Contractor. The Contractor must maintain this process or propose and implement another process that is acceptable to the CTA and the RTA.

The magnetic stripe permit stock will be die cut, credit permit size (3-3/8" X 2-1/8") and be a nominal 0.010 inches thick. The material will be virgin polyester, coated on both sides with a poly-vinyl chloride material to enhance its absorption of inks and dyes.

The face of the permit will feature graphics approved by the RTA, applicant's digitized photo image, expiration date and the RTA identification number. A letter specifying type of eligibility "S", "D", "P" or "C" will precede the identification number up to 10 digits. **Each letter is color coded: the S, C, and D must be in blue, and the P in red.**

Photo Identification Card Specifications are as follows:

Dimensions: 2.125" (+/- .002") X 3.370" (+/- .005")

Thickness: .010" (+/- .001")

Card Construction: The outside layers of the triplex card consist of .002" of PVC (poly-vinyl chloride) laminate. The middle layer consists of .006" of polyester and is the substance to which all fixed information will be pre-printed.

Magnetic stripe: Dai Nippon XT 272 magnetic strip (2750 oersted). Senior Ride Free: Laminate, secure shield (DuraGard), Registered images, custom full card, 0.6 millimeter registered, Hi-Resolution holographic design w/Micro Text, Guilloche Security printing, UV mica ink kinetic pattern. The permit will be encoded and have a tracking number assigned by the CTA. **NOTE:** This number is for permit control purposes and is not the same nor does it represent the RTA identification number issued by the Contractor and printed on the front of the permit.

J. Photograph and Back Face (Non-Stripe) Printing

The Contractor will employ the dye-sublimation process to print the photographs and related information on the face (non-stripe) side of the permit. The ribbon sequence must employ four (4) colors: cyan, magenta, yellow and black. The printed material requires a resolution of not less than 300 dots per inch, and color registration of a variance not more than 0.001 inch.

K. Protective Coatings

As part of the in-line printing process, the Contractor's equipment will apply a protective coating to the printed area. This coating should be clear and applied by the same (or similar) thermal heads that apply the coloring materials. The application of the coating must not affect the clarity of the printed materials underneath. The thickness of the protective materials will be approximately 0.0005 inch. The resultant thickness of the permit, after printing and application of the protective coating must not exceed 0.0115 inches.

L. Photograph Digitizing

A digital scanning machine providing not less than 600 dpi resolution will scan the applicant's photograph. The scanned photo will be cropped, centered, and sized for optimum visibility on the finished permit.

The Contractor will be responsible for assuring the correct photo is assigned to the correct RTA identification number and tracking number and storing it in a hard copy file.

M. Permit Stock Storage

The Contractor will store the permits in a secure office type environment between 65 degrees to 90 degrees. The Contractor is required to account for all permit stock.

N. Smart Card

The smart card is a thicker (30 millimeter) vinyl card that features a microchip that enables the rider to scan fares or ride free on the CTA automated fare system.

The RTA will supply smart card stock. The same specifications as in the production processing of the permit stock will be repeated. The CTA will encode the smart cards prior to production and distribution. The CTA will hold and ship requested smart card stock to the Contractor. The Contractor must maintain this process or propose an alternative process that is acceptable to the CTA and the RTA. The same graphics, protective coating, photograph digitizing, and stock storage will apply to the smart card.

O. Mailing Schedule

The Contractor will process applications, issue permits, and mail the recipient a permit within 1-2 weeks from receipt of the application. Replacement permits will be issued and mailed out within two (2) business days of receipt. Incomplete/incorrect applications are required to be returned to the applicant within seven (7) business days of receipt of the application. Requests mailed overnight by the RTA Customer Service staff will be processed and permits mailed within two (2) business days of receipt.

P. Hard Copy Files

The Contractor will establish a system for the storage of hard copy files. The RTA will supply storage boxes and proper instructions for packing and completing inventory lists. Boxes will be shipped on a quarterly schedule to a record management company chosen by the RTA. The RTA may provide a staff person to accomplish this task.

Q. Mailing Materials

All materials sent to applicants will be in special printed No. 10 envelopes, provided by the Contractor. Individual mailers will be printed with approved RTA graphics and include permit holder's name, address, identification number and registration code number.

All mailings will use the United States Postal Service, and have sufficient postage for first class mail. The Contractor will pay for the postage. Any item to be mailed must be approved in advance by the Manager, Customer Service & TIC.

REGIONAL TRANSPORTATION AUTHORITY (RTA)
DISADVANTAGED BUSINESS ENTERPRISE (DBE) COMPLIANCE PLAN

Project name: Production and Distribution of Reduced Fare Permits

Vendor name: ScreenCheck North America, LLC

Instructions for Completing the DBE Compliance Plan

It is the objective of the Regional Transportation Authority (RTA) to promote the participation of Disadvantaged Business Enterprises (DBEs) in the performance of its contracts. To promote this objective, the RTA has established a DBE Program in conformance with U.S. Department of Transportation (U.S. DOT) regulations at 49 CFR Part 26. Additional information and guidance about the regulations is available at www.usdoj.gov/eo12898. Additional information on the RTA's DBE Program is available at www.rtaohio.gov/dbe.

A contractor, vendor, proposer or bidder for this RTA project (referred to herein as "Vendor") must either achieve or exceed the DBE subcontracting goal established for this project or make good faith efforts to do so.

A DBE is a business certified through the Illinois Unified Certification Program (IUUCP), in accordance with the U.S. DOT's requirements. Other certifications are not acceptable and dollars spent with firms not DBE certified will not be counted towards achieving the DBE subcontracting goal on this project. Information on DBE certification through IUUCP, including a listing of certified DBEs, is available at www.dot.state.us/iucp/ucaltrn.

All Vendors must submit to the RTA a DBE Compliance Plan at the time specified by the RTA. A Vendor that is itself a DBE will be considered to have satisfied the DBE subcontracting goal on the project, but must still submit the DBE Compliance Plan to the RTA. Specific instructions for completing this DBE Compliance Plan are included for each Section. The DBE Compliance Plan must be signed and dated by an authorized representative of the Vendor. **If the DBE Compliance Plan is not submitted at the time specified by the RTA, this may render the Vendor's solicitation response non-responsive and cause it to be rejected, or render the Vendor ineligible for contract or task order award, at the RTA's sole discretion.**

The RTA-approved DBE Compliance Plan will be incorporated into any contract relating to this project and will be attached as an exhibit thereto. Sections I – VII are the DBE Compliance Plan and supporting forms.

Questions about this DBE Compliance Plan may be directed to the RTA's DBE Coordinator by email at DBE@rtahio.gov or by telephone to 312-913-3213.

DBE Compliance Plan Check List

Please complete the following steps:

- () Complete Section II, DBE Participation Commitment, even if no DBEs will be utilized. Submit with the solicitation response (or as otherwise specified by the RTA).
 - Designate the Vendor's DBE contact person for the project.
List all DBE and non-DBE subconsultants, subcontractors, suppliers and joint venture partners.
Describe the area of specialty and type of work to be performed by the DBE and non-DBE subconsultant, subcontractor, supplier and joint venture partner.
List the dollar amount of DBE and non-DBE participation commitment and the percentage of the total proposal/contract amount.
List the total proposal/contract price.
- () If the DBE subcontracting goal was not fully achieved, complete Section III, Demonstration of Good Faith Efforts to Achieve DBE Subcontracting Goal. Submit with the solicitation response (or as otherwise specified by the RTA).
 - Complete the Good Faith Efforts checklist.
Complete Good Faith Efforts Contacts Log.
- () If the Vendor proposes to achieve the DBE subcontracting goal by entering into a joint venture arrangement with a DBE, complete Section IV, DBE Joint Venture Agreement. Submit with the solicitation response (or as otherwise specified by the RTA).
- () Complete Section V, Letter of Intent, for each DBE proposed to be utilized on the project as a subconsultant, subcontractor or supplier (but not as a joint venture partner). Submit with the solicitation response (or as otherwise specified by the RTA).
- () Have an authorized officer of the Vendor sign Section VII, Attestation, and have it notarized.
- () Submit entire DBE Compliance Plan to the RTA with the solicitation response (or as otherwise specified by the RTA).

SECTION 1
DBE PROGRAM PROVISIONS AND DBE COMPLIANCE PLAN INSTRUCTIONS

The DBE Compliance Plan must list all firms that will participate on the project as subconsultants, subcontractors, suppliers or joint venturer partners for the Vendor. By listing a subconsultant, subcontractor, supplier or joint venture partner on the DBE Compliance Plan, the Vendor indicates that all firms agree to the price and scope of work proposed. In the event the Vendor is awarded a contract (or, in the case of a task order contract, task orders are established), the Vendor agrees to contract with the DBE(s) identified herein for the scope and price disclosed. These Provisions and Instructions will be incorporated by reference into the contract.

Counting DBE Participation Towards the DBE Subcontracting Goal

The value of the work actually performed by the DBE, including supplies purchased or equipment leased by the DBE, will be counted towards the DBE subcontracting goal established by the RTA, other than supplies purchased and equipment rented by the DBE directly from the Vendor.

If a DBE subconsultant, subcontractor, supplier or joint venture partner elects to subcontract part of the work to another firm (i.e., to a second tier subcontractor), the value of the second tier work may be counted toward the DBE subcontracting goal only if the second tier subcontractor is itself a DBE. Work that a DBE subcontracts to a second tier non-DBE will not count towards the subcontracting goal. Services or supplies incidental to the work of the subcontractor or used in the general conduct of the DBE's business will not be excluded from the amount of the DBE's utilization counted towards the subcontracting goal.

After contract award, when evaluating compliance with DBE requirements, the RTA will not credit the participation of a DBE subconsultant, subcontractor or supplier towards the DBE subcontracting goal until that amount has been paid to the DBE.

The participation of a DBE subconsultant, subcontractor, supplier or joint venture partner that "graduates" from the Illinois Unified Certification Program, based upon exceeding the firm size or personal net worth limitations, after contract award will be counted towards achieving the subcontracting goal on that contract. The participation of a DBE subconsultant, subcontractor, supplier or joint venture partner that loses its certification eligibility as a result of fraud, collusion or any other misconduct after contract award shall not be counted towards the subcontracting goal.

A Vendor may count toward the DBE subcontracting goal 60% of its expenditures for materials and supplies required under the contract and obtained from a DBE manufacturer, regular dealer or supplier. "Regular dealer" means a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for performance of the work for the project are bought, kept in stock, and regularly sold to the public in the usual course of business. To be a regular dealer, the firm must engage in, as its principal business and in its own name, the purchase and sale of the products in question.

The DBE must perform a "Commercially Useful Function" in on the contract in the "Area of Specialty" for which it is certified as a DBE to be counted towards the DBE subcontracting goal. Commercially Useful Function means responsibility for the execution of a distinct element of the work on the project and carrying out its responsibilities by actually performing, managing, and supervising the work involved. To determine whether a firm is performing a Commercially Useful Function, the RTA shall evaluate the amount of work subcontracted, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the credit claimed for its

work, industry practices, and other relevant factors. Area of Specialty means the description of a DBE's activity most reflective of the firm's claimed specialty or expertise, as listed on its IL UCP letter of certification. The RTA does not make any representation concerning the ability of any DBE to perform work within its Area of Specialty. It is the responsibility of the Vendor to determine the capability and capacity of DBEs to perform the proposed work.

Demonstrating Good Faith Efforts to Achieve the DBE Subcontracting Goal

If the Vendor cannot achieve the DBE subcontracting goal on the contract (or, in the case of a task order contract, on the relevant task order), it must document its "Good Faith Efforts" to do so in Section III of this document, including providing any supporting documentation requested by the RTA.

A Vendor, using its good business judgment, will consider a number of factors when negotiating with subconsultants, subcontractors, suppliers or joint venture partners (including DBEs), and will take a firm's price and capabilities, as well as the DBE subcontracting goal, into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a Vendor's failure to achieve the DBE subcontracting goal, as long as such costs are reasonable. Also, the ability or desire of a Vendor to perform the work on the project with its own forces or organization does not relieve the Vendor of the responsibility to achieve the DBE subcontracting goal or make Good Faith Efforts to do so. A Vendor is not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

The RTA, in its sole discretion, will determine whether the Vendor has made Good Faith Efforts to achieve the DBE subcontracting goal. In evaluating the Vendor's Good Faith Efforts, the DBE participation and/or Good Faith Efforts of other vendors on this project or projects of a similar nature may be considered for comparative purposes.

If the RTA determines that the Vendor has made Good Faith Efforts to achieve the DBE subcontracting goal, the Vendor will be eligible for contract award even if the DBE subcontracting goal has not been achieved (provided that it is otherwise eligible for award).

If the RTA determines that the Vendor has not made Good Faith Efforts, the RTA will notify the Vendor of that determination. **A determination by the RTA that the DBE subcontracting goal was not achieved and that Good Faith Efforts were not made to achieve the DBE subcontracting goal may render the Vendor's solicitation response non-responsive, and/or make the Vendor ineligible for contract award (or, in the case of a task order contract, make the Vendor ineligible to perform the services specified for such task).**

The Vendor may appeal an adverse determination within five business days of its receipt of the notice of such determination by submitting a written appeal describing the basis for such appeal to the RTA's Manager of Procurement.

The RTA may request written clarification of items on the DBE Compliance Plan; however, such clarification does not provide an opportunity to augment listed DBE participation commitments or Good Faith Efforts. Changes to the DBE Compliance Plan are permitted only pursuant to the procedures established in Section VI of this document.

Joint Ventures with DBEs

Joint venture(s) that the Vendor enters into with DBEs will be counted toward the DBE subcontracting

business enterprises and persons numbering two or more, proposing to perform a for-profit business enterprise, in which each joint venture partner contributes property, capital, effort, skill and knowledge, and in which the DBE is responsible for a distinct, clearly defined portion of the work on the project and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest. The DBE joint venture partner's share in the capital contribution, control, management, risks and profits of the joint venture must be equal to its ownership interest. Joint ventures must have an agreement in writing specifying the terms and conditions of the relationships between the parties and their relationship, risks and responsibility under the contract. A joint venture may count the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces toward the goals. A joint venture may also count the dollar value of work subcontracted to other DBEs. Work performed by the forces of a non-DBE joint venture partner shall not be counted toward the DBE subcontracting goal. Each joint venture partner must provide the attestation to the DBE Compliance Plan (section VII of this document).

Changes to the DBE Compliance Plan or Substitutions of Subconsultants, Subcontractors or Suppliers

The Vendor may not make changes to its DBE Compliance Plan or its contractual DBE commitments, or substitute a subconsultant, subcontractor or supplier, without the prior written approval of the RTA. Requests for changes or substitutions must be made on the form provided in Section VI of this document. **Unauthorized changes or substitutions, including the performance by the Vendor's own forces of the work designated for a subconsultant, subcontractor or supplier may render the Vendor ineligible for contract award or, if a contract has already been established, will be considered a material breach of the contract.** The facts supporting the request for changes or substitutions must not have been known, or could not reasonably have been known, by the Vendor prior to submitting the DBE Compliance Plan to the RTA.

Section VI, Request for Change of Compliance Plan, should be submitted only if and when the Vendor seeks to change its DBE Participation Commitments as contained in Section II of this document, or make any other changes to its previously submitted DBE Compliance Plan. Changes or substitutions requested by the Vendor shall not be considered approved until such approval is given to the Vendor by the RTA in writing.

In the event that a Vendor's request for change(s) to its Compliance Plan or substitution(s) will result in a change in the Vendor's DBE participation, and the revised participation does not achieve the DBE subcontracting commitment in the Compliance Plan, the Vendor will be required to submit an updated Section III of the DBE Compliance Plan to demonstrate that it made Good Faith Efforts to achieve the DBE subcontracting goal.

If the Vendor's request involves adding a new DBE subconsultant, subcontractor or supplier, the Vendor must submit with the Request for Change of Compliance Plan a signed and notarized Letter of Intent (Section V of this document), from the DBE identified in the revised Compliance Plan.

The RTA will evaluate the Vendor's request and, in its sole discretion, may approve or reject the request. The written request for a change or substitution must state specific reasons for the proposed change or substitution. Acceptable reasons for changes may include, but are not limited to, the following:

- Unavailability of the subconsultant, subcontractor or supplier after the initial submission of DBE Compliance Plan;
- Failure of the subconsultant, subcontractor or supplier to perform the agreed scope(s) of work;

- Financial incapacity of the subconsultant, subcontractor or supplier;
- Failure of the subconsultant, subcontractor or supplier to honor the proposal price;
- Mistake of fact or law about the scope(s) of work where a reasonable price cannot be agreed upon;
- Failure of the subconsultant, subcontractor or supplier to meet bonding, insurance, or requirements specified in the solicitation; or
- Withdrawal of the bid or proposal by the subconsultant, subcontractor or supplier.

A statement from the DBE to be substituted stating why it cannot perform on the project may be submitted to support the request. Where the reason for the requested change is a valid mistake or disagreement between the Vendor and the subconsultant, subcontractor or supplier on the scope of work, the request must document all efforts made by the parties to reach an agreement for a reasonable price for the corrected scope of work.

Records Retention

The Vendor must maintain a record of all relevant data with respect to the utilization of DBEs, including but without limitation, payroll records, invoices, canceled checks, sworn statements and books of account for a period of at least 5 years after the RTA's final acceptance of the work. Full access to these records shall be granted to the RTA, or to any municipal, state or federal authorities, by the Vendor upon 48 hours written demand by the RTA. The RTA shall have the right to obtain from the Vendor any additional data reasonably related or necessary to verify any representations by the Vendor in the DBE Compliance Plan or documents regarding the Vendor's Compliance with its Compliance Plan or the DBE Program Provisions.

Sanctions

The RTA reserves the right to withhold payment to the Vendor to enforce the provisions of the Vendor's DBE Compliance Plan and the RTA's DBE Program. Final payment shall not be made on the contract until the Vendor demonstrates, to the reasonable satisfaction of the RTA, achievement of the DBE subcontracting goal or its Good Faith Efforts to achieve the DBE subcontracting goal, pursuant to its DBE Compliance Plan.

The RTA will periodically review the Vendor's compliance with its **DBE** Compliance Plan and the terms of its contract. Without limitation, the Vendor's failure to comply with its DBE Compliance Plan, failure to cooperate in providing information regarding its compliance, or the provision of false or misleading information or statements concerning compliance, certification status of subconsultants, subcontractors, suppliers or joint venture partners, Good Faith Efforts or any other material fact or representation shall constitute a material breach of the contract and entitle the RTA to declare a default, terminate the contract, or exercise those remedies provided for in the contract or at law or in

SECTION II
DBE Participation Commitment

This form must be submitted by the Vendor with the solicitation response (or at the time otherwise specified by RTA) even if no DBE subcontractors will be utilized. Failure to do so may render the Vendor's solicitation response non-responsive and cause it to be rejected, or render the Vendor ineligible for contract award, at the RTA's sole discretion.

Project Name: Production and Distribution of Reduced Fare Cards

Vendor Name: ScreenCheck North America

RTA's DBE subcontracting goal for the project: 25%

The undersigned will enter into complete subcontracts, purchase orders or other appropriate agreements or joint venture agreements with all listed DBEs for work as described in this Section II, DBE Participation Commitment, and will enter into such agreements within 5 business days after the date of final execution of the contract with the RTA (or, in the case of a task order contract, 5 business days after final execution of the relevant task order to which the DBE participation commitments apply). Copies of each signed subcontract, purchase order, or other agreement with a DBE will be submitted to the RTA within 10 business days after execution.

The Vendor designates the following as its DBE contact person:

Name: Michael Fox

Please Print or Type: 4650 Executive Blvd.
Fort Wayne, IN 46808

Address:

Telephone: 260-484-0611 E-mail: michael.fox@screencheckna.com

All DBEs must be certified with the Illinois Unified Certification Program (IU UCP, <http://www.sbs.com/isp/ucp/ucp.html>), if the DBE subcontracting goal is achieved, in whole or in part, through a joint venture with a DBE, complete the Joint Venture Affidavit, Section III, and submit with the solicitation response (or as otherwise specified by the RTA). All subconsultants, subcontractors, suppliers or joint venture partners - including DBE and non-DBE firms - must be listed on the following form.

Subconsultant, Subcontractor, Supplier or Joint Venture Partner Participation Commitments

Name of Subconsultant, Subcontractor, Supplier or Joint Venture Partner	Is firm certified as a DBE? (yes or no)	If DBE certified, list DBE Area of Specialty as shown in IL UCP	Description of Work to be Performed	\$ and % of total proposal/contract
ABC Data Entry	Yes	SCANNERS AND READERS, OPTICAL CHARACTER, BAR CODE, REMITTANCE SCANNER/PROCESSOR	Printing, Mail Merge, Renewals	\$ <u>\$450,000</u> % 15.25
Preferred Packaging Plus	Yes	SUPPLIER OF BOXES, CARTONS/STATIONERY & SPECIALTY PRINTING MATERIALS	Printing, Cards, Ribbon, Laminate	\$ <u>\$300,000</u> % 10.5
				\$ _____ %
				\$ _____ %
Total DBE participation: 25.75% and \$ 750,000				total proposal/contract price (do not include non-DBEs in total) \$ <u>750,000</u>

Total proposal/contract price: \$ 2,884,968

Is Vendor DBE certified? yes X no. If yes, DBE area of specialty as shown in IL UCP _____

SECTION III
Demonstration of Good Faith Efforts to Achieve DBE Subcontracting Goal

If the DBE subcontracting goal was not achieved, the Good Faith Efforts checklist (Section III A) and contacts log (Section III B) must be submitted with the solicitation response (or as otherwise specified by the RTA). **Failure to do so may render the Vendor's solicitation response non-responsive and cause it to be rejected, or render the Vendor ineligible for contract award, at the RTA's sole discretion.** The Vendor will provide evidence in support of its Good Faith Efforts to the RTA upon request. The RTA also reserves the right to independently verify that these efforts have been made.

**Section III A
Good Faith Efforts Checklist**

Insert on each line below the initials of the authorized Vendor representative who is certifying on behalf of the Vendor that the Vendor has completed the activities described below. **If any of the items below were not completed, attach a detailed written explanation why each such item was not completed.** If any other efforts were made to obtain DBE participation in addition to the items listed below, attach a detailed written explanation.

- _____ Identified portions of the project work capable of performance by available DBEs, including, where appropriate, breaking out contract work items into, economically feasible units to facilitate DBE participation even when the Vendor could perform those scopes with its own forces.
- _____ Solicited through reasonable and available means (e.g., written notices, advertisements) DBEs to perform the types of work that could be subcontracted on this project, within sufficient time to allow them to respond. (The DBE Directory is available at www.dot.state.il.us/ucp/ucp.html)
- _____ Provided timely and adequate information about the plans, specifications and requirements of the contract. Followed up initial solicitations to answer questions and encourage DBEs to submit proposals or bids.
- _____ Negotiated in good faith with interested DBEs that submitted proposals or bids and thoroughly investigated their capabilities.
- _____ Made efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as may be required for performance of the contract (if applicable).
- _____ Utilized resources available to identify available DBEs, including but not limited to DBE assistance groups; local, state and federal minority or women business assistance offices; and other organizations that provide assistance in the recruitment and placement of DBEs.

Section III B

**Good Faith Efforts Contacts Log For Soliciting
DBE Subconsultant, Subcontractor or Supplier Participation**

Use this form to document all contacts and responses (telephone, e-mail, fax, etc.) regarding the solicitation of DBE subconsultants, subcontractors and suppliers. Duplicate as needed. (It is not necessary to show contacts with DBEs)

Name of DBE firm	Date and method of contact	Scope of work solicited	Reason agreement was not reached

SECTION IV
DBE Joint Venture Agreement

If the Vendor proposes to utilize a joint venture arrangement for this project to meet the DBE subcontracting goal, this form must be submitted with the solicitation response (or as otherwise specified by the RTA). Failure to do so may render the Vendor's solicitation response non-responsive and cause it to be rejected, or render the Vendor ineligible for contract award, at the RTA's sole discretion. (Attach additional sheets as necessary for additional joint venture partners.)

Attach a copy of the joint venture agreement(s). The agreement(s) must describe each partner's roles and responsibilities and demonstrate that the DBE partner's share in the capital contribution, control, management, risks, costs and profits of the joint venture is equal to its ownership interest.

If there is any change in the information submitted below or to the joint venture agreement after this form is submitted to the RTA, the joint venture must immediately inform the RTA.

Name of joint venture: _____

Address: _____

Telephone: _____ Fax: _____ Email: _____

Contact person: _____

Name of non-DBE partner: _____

Address: _____

Telephone: _____ Fax: _____ Email: _____

Contact person: _____

Name of DBE partner: _____

Address: _____

Telephone: _____ Fax: _____ Email: _____

Contact person: _____

SECTION V
Letter(s) of Intent between Vendor and
DBE Subconsultant, Subcontractor or Supplier

A separate Letter of Intent must be provided for each DBE subconsultant, subcontractor or supplier along with the solicitation response (or as otherwise specified by the RTA). Failure to provide a Letter of Intent will result in that DBE's participation not being counted for purposes of achieving the DBE subcontracting goal. The Letter of Intent must match the description of services or products and the amount stated in Section II. DBE Participation Commitment. (Duplicate this form as needed.)

Project name: Contract for the Production and Distribution of Reduced Fare and Ride Free Permits

Name of Vendor: ScreenCheck North America, LLC
Address: 1650 Executive Blvd Fort Wayne IN 46808
Street City State Zip Code

Telephone: (260) 484-0611 Fax: (260) 483-4287 Email: Michael.Fox@screencheckna.com

Name of DBE subconsultant, subcontractor or supplier: Preferred Packaging Plus, Inc.
Address: 49 Franklin Street NorthPort, NY 11768-3058
Street City State Zip Code

Telephone: (631) 262-7950 Fax: (631) 262-7951 Email: info@preferredpackagingplus.com

Proposed sub-contract amount: \$ \$300,000

Specific description of work to be performed by DBE:

Printing, Cards, Ribbon, Laminate

The Vendor and the DBE listed above hereby agree that upon the execution of a contract for the above-named project between the Vendor and the RTA, the DBE will perform the scope of work described above for the price indicated above.

Vendor: ScreenCheck North America DBE: Preferred Packaging Plus
Name of Firm Name of Firm

By: Michael K. Fox
Signature Name

By: Christina Chaney
Signature Name
Christina Chaney, Pres

President and CEO
Title

October 26 2009
Date

10/27/09
Date

SECTION V
 Letter(s) of Intent between Vendor and
 DBE Subconsultant, Subcontractor or Supplier

A separate Letter of Intent must be provided for each DBE subconsultant, subcontractor or supplier along with the solicitation response (or as otherwise specified by the RTA). Failure to provide a Letter of Intent will result in that DBE's participation not being counted for purposes of achieving the DBE subcontracting goal. The Letter of Intent must match the description of services or products and the amount stated in Section II, DBE Participation Commitment. (Duplicate this form as needed.)

Project name: Contract for the Production and Distribution of Reduced Fare and Ride Free Permits

Name of Vendor: ScreenCheck North America, LLC

Address: 4650 Executive Blvd Fort Wayne IN 46808
Street City State Zip Code

Telephone: (260)484-0611 Fax: (260)483-4287 Email: Michael.fox@screencheckna.com

Name of DBE: subconsultant, subcontractor or supplier: ABC Data Entry, Inc.

Address: 311 N. Aberdeen St., Suite 200D Chicago IL 60607
Street City State Zip Code

Telephone: (312)455-1199 Fax: (312)455-1195 Email: Dorothe@abeddataentry.com

Proposed subcontract amount: \$ \$450,000

Specific description of work to be performed by DBE:

Printing, Mail Merge, Renewals

The Vendor and the DBE listed above hereby agree that upon the execution of a contract for the above named project between the Vendor and the RTA, the DBE will perform the scope of work described above for the price indicated above.

Vendor: <u>ScreenCheck North America</u> <small>Name of Firm</small>	DBE: <u>ABC Data Entry</u> <small>Name of Firm</small>
By: <u></u> Michael K. Fox <small>Title Name</small>	By: <u></u> Harold A. Shepard <small>Title Name</small>
<u>President & CEO</u> <small>Title</small>	<u>President</u> <small>Title</small>
<u>October 26, 2009</u> <small>Date</small>	<u>October 26, 2009</u> <small>Date</small>

SECTION VI
Request for Change of Compliance Plan or Substitution of
Subconsultants, Subcontractors, Suppliers or Joint Venture Partners

This form should be submitted only if and when the Vendor seeks to change its previously submitted and approved DBE Compliance Plan or substitute a previously approved subconsultant, subcontractor, supplier or joint venture partner. **Failure to obtain prior written approval before making the change may render the Vendor ineligible for contract award, at the RTA's sole discretion, or, if a contract has already been established, will be a material breach of the contract.**

Vendor name: _____

Project Name: _____

Current total contract price: \$ _____

DBE goal established by RTA for the project: _____ %

DBE participation prior to proposed change: _____ % \$ _____

DBE participation after proposed change: _____ % \$ _____

Complete the following with this request for change:

- Revised Section II, DBE Participation Commitment form.
- Updated Section III, Good Faith Efforts form (if applicable).
- Section V, Letter(s) of Intent between Vendor and DBE (if applicable).
- Section VII, Attestation and Affidavit

Detailed explanation of reasons for requesting change (attach additional pages and supporting documentation as necessary):

PROPOSED DELETION:

Name of subconsultant, subcontractor or supplier: _____

Contact Person: _____

Telephone No.: _____

E mail: _____

Amount of subcontract/joint venture: \$ _____ (_____ % of Vendor's contract)

Description of work: _____

PROPOSED ADDITION:

Name of subconsultant, subcontractor or supplier: _____

Contact Person: _____

Telephone No.: _____

E mail: _____

Amount of subcontract/joint venture: \$ _____ (_____ % of Vendor's contract)

Description of work: _____

Is the firm DBE certified in H. UCP: _____ yes _____ no

If yes, area of specialty in H. UCP: _____

SECTION VII

Attestation and Affidavit

This form must be submitted with the solicitation response (or as otherwise specified by the RTA). Failure to do so may render the Vendor's solicitation response non-responsive and cause it to be rejected, or render the Vendor ineligible for contract award, at the RTA's sole discretion.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER PENALTIES OF PERJURY THAT THE CONTENTS OF THE FOREGOING DOCUMENT ARE TRUE AND CORRECT, THAT I HAVE READ THE DBE COMPLIANCE PLAN INSTRUCTIONS AND THAT I AM AUTHORIZED ON BEHALF OF VENDOR TO MAKE THIS ATTESTATION.

ScreenCheck North America, LLC

Name of Vendor

Michael Fox

Name

President & CEO

Title

 October 27, 2009

Signature

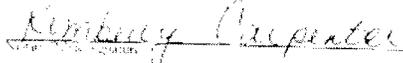
Date

On this 27 day of October, 2009.

the above signed officer, Michael Fox
Name of Officer

personally appeared and, known by me to be the person described in the foregoing Affidavit, acknowledged that (s)he executed the same in the capacity stated therein and for the purposes therein contained.

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

 Seal

Commission Expires: 6-01-2017



KIMBERLY CARPENTER
NOTARY PUBLIC, STATE OF INDIANA
My Commission Expires June 1, 2017

Batch	Date Recvd	Date Shipd	Senior	Disabled	P	Total	Sent to RTA	Rejections	Days	
710364	1/3/2011	1/3/2011	66	142	2	210	14	0	0	
711004	1/5/2011	1/5/2011	97	247	5	349	16	0	0	
711005	1/6/2011	1/6/2011	74	191	5	270	16	0	0	
711006	1/7/2011	1/7/2011	115	241	14	370	14	0	0	
711007	1/10/2011	1/10/2011	67	151	18	236	22	0	0	
711010	1/11/2011	1/11/2011	125	273	21	419	21	0	0	
711011	1/12/2011	1/12/2011	87	153	16	256	10	0	0	
711012	1/13/2011	1/13/2011	116	219	4	339	10	0	0	
711013	1/14/2011	1/14/2011	56	197	17	270	24	0	0	
711014	1/17/2011	1/17/2011	98	207	12	317	17	0	0	
711018	1/20/2011	1/20/2011	67	244	3	314	24	0	0	
711019	1/20/2011	1/20/2011	58	198	22	278	17	0	0	
711020	1/21/2011	1/21/2011	71	183	2	256	21	0	0	
711021	1/21/2011	1/21/2011	22	108	21	151	12	0	0	
711024	1/25/2011	1/25/2011	86	226	19	331	16	0	0	
711025	1/26/2011	1/26/2011	41	170	14	225	10	0	0	
711026	1/27/2011	1/27/2011	32	152	3	187	12	0	0	
711027	1/28/2011	1/28/2011	58	121	1	180	10	0	0	
711028	1/31/2011	1/31/2011	85	191	16	292	6	0	0	
			1421	3614	215	5250			0	19 Batch Count

Batch	Date Recvd	Date Shipd	Senior	Disabled	P	Total	Sent to RTA	Rejections	Days	Adjusted	
510229	1/3/2011	1/7/2011			272	272			4	4	
510230	12/21/2010	1/7/2011	145			145		3	17	13	
510231	12/28/2010	1/14/2011	185	17		202		20	17	12	
510233	1/14/2011	1/14/2011		42		42		3	0	0	
510232	12/29/2010	1/17/2011	130			130		4	19	12	
511001	1/10/2011	1/21/2011	4		169	173		0	11	9	
511002	1/3/2011	1/24/2011		143		143		0	21	15	
511004	1/6/2011	1/24/2011	90	2		92		3	18	12	
511006	1/17/2011	1/21/2011	3		254	257			4	4	
511007	1/11/2011	2/1/2011	200	7		207		7	21	15	
511008	1/24/2011	1/28/2011	4		204	208			4	4	
511010	1/13/2011	2/2/2011	200	0	0	200			20	16	
511009	1/17/2011	1/28/2011		71		71		7	11	7	
511011	1/17/2011	2/8/2011	110	35		145		6	22	16	
511012	1/18/2011	2/11/2011	200	10		210		11	24	18	
511013	1/31/2011	2/7/2011			133	133			7	5	
511014	1/24/2011	2/1/2011	135	10		145		11	8	6	
511015	1/27/2011	2/17/2011	141			141		6	21	15	
511016	1/31/2011	2/17/2011	7		237	244			17	13	
511017	1/29/2011	2/17/2011		46		46		5	19	13	
			1271	327	1032	3160			14.25	10.45 Average	20

Total Daily Batches	19
Days	0
Total Other Batches	20
Days	209
Average Days	5.358974

NOTE: This analysis of performance was prepared by ScreenCheck. While it was not audited, it does support the observations presented under the Mailing Schedule section of the report.