

**PENN TOWNSHIP**  
**York County, Pennsylvania**

ORDINANCE NO. - 735

AN ORDINANCE OF PENN TOWNSHIP AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2012, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$700,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR PLANNING, DESIGN AND CONSTRUCTION OF IMPROVEMENTS AND RENOVATIONS TO THE TOWNSHIP'S ROADWAY INFRASTRUCTURE AND TO PAY ALL COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; FIXING THE FORM, NUMBER, DATE, AMOUNT AND MATURITY THEREOF; PROVIDING FOR THE SALE THEREOF AT A PRIVATE SALE; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; MAKING DETERMINATION OF THE USEFUL LIFE OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTE.

WHEREAS, Penn Township (the "Township") is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pennsylvania Consolidated Statutes, Section 8001 et seq. (the "Act") to incur indebtedness by the issuance of general obligation notes; and

WHEREAS, the Township has determined to incur general obligation debt in order to provide funds for planning, design and construction of, improvements and renovations to the Township's roadway infrastructure (the "Project"), and to pay costs of issuance; and

WHEREAS, the Township has received a proposal for the purchase of the \$700,000 General Obligation Note, Series of 2012 (the "Note") from Pennsylvania Infrastructure Bank (the "Bank") and

desires to authorize the issuance of the Note and to accept the proposal for the purchase of the Note;  
and

WHEREAS, notice of the following Ordinance has been duly advertised in accordance with  
Section 8003 of the Act;

NOW, THEREFORE, BE AND IT HEREBY IS, Resolved that:

1. The Township shall incur indebtedness pursuant to the Act, in the aggregate principal amount of \$700,000 by the issuance of its General Obligation Note, Series of 2012 for the purposes above recited, which recital of purposes is fully incorporated herein. The indebtedness authorized by this Ordinance is nonelectoral debt and the Note when issued will be a general obligation note of the Township.

2. The President, Vice President, Treasurer and the Secretary of the Board of Commissioners are hereby authorized and directed to prepare and certify a debt statement required by Section 8110 of the Act and a Borrowing Base Certificate.

3. The Secretary or Assistant Secretary of the Township is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized thereunder, including the debt statement and borrowing base certificate referred to hereinabove, to prepare and file any statements required by the Act which are necessary to qualify all or any portion of non-electoral or lease rental debt of the Township as self-liquidating or subsidized debt, and to pay the filing fees necessary in connection therewith.

4. It is declared that the debt to be incurred hereby, together with any other indebtedness of the Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the Township which is evidenced by the Note.

5. The Township hereby covenants with the holder from time to time of the Note outstanding pursuant to this Ordinance that the Township (i) shall include the amount of the debt service for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund the principal of and interest on the Note at the dates and places and in the manner stated in the Note, and for such budgeting, appropriation and payment in respect of the Note, the Township hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

6. The Township accepts the proposal for the purchase of the Note from the Bank at par with a maximum purchase price of \$700,000 for the Note, in accordance with the purchase contract of the Bank, for the purchase of the Note (the "Purchase Contract"), as presented at this meeting. The Note shall be in fully registered form without coupons, shall be numbered 1 and be in the maximum principal amount stated in Section 1 above, shall be dated as of the date of issuance, and shall bear interest from that date, which interest is payable at the rate, provided herein, until maturity or redemption, all as set forth in the Purchase Contract attached hereto as Exhibit "A" and made a part hereof.

The Note shall initially bear interest at the fixed rate of 1.625% per annum. Principal shall be payable semi-annually. The Note shall mature on March 5, 2022 as set forth in the Purchase Contract.

The proposed Note Amortization Schedule is attached hereto as Exhibit "B".



The Note shall be subject to redemption in the manner and upon the terms and conditions set forth therein. The form of the Note shall be substantially as set forth in the Note attached hereto as Exhibit "C" and made a part hereof.

The stated principal maturity of the Note has been fixed in compliance with Section 8142(c) of the Act.

7. The Township finds and determines on the basis of all information available, that a private sale of the Note by negotiation is in the best financial interest of the Township and that the terms of the proposal are at least as favorable to the Township as those which could be obtained upon a public sale of the Note.

8. The Township hereby covenants to establish a Sinking Fund for the payment of the Note hereby authorized, in accordance with the Act. The Sinking Fund shall be known as the "Sinking Fund, Penn Township, General Obligation Note, Series of 2012."

9. It is hereby determined and stated that the realistic estimated useful life for the Project is not less than ten (10) years. The realistic cost estimates for the Project have been obtained through professional estimates from qualified experts hired by the Township.

10. PNC Bank, is hereby designated as the paying agent, Register and sinking fund depository (the "Paying Agent") for the Note and the proper officers of the Township are hereby authorized and directed to contract with said bank for such services.

11. The Note shall be executed by signature of the President or Vice President of the Board of Commissioners and the corporate seal of the Township shall be imprinted thereon, attested by the signature of the Secretary of the Board. The Note shall be authenticated by the Paying Agent. The President, Vice President, Secretary or Treasurer is hereby authorized and directed to deliver said Note



to the Purchaser and to receive payment therefor on behalf of the Township after sale of said Note in the manner required by law and this Ordinance and to take all further necessary or desirable action to effect the sale and delivery of the Note.

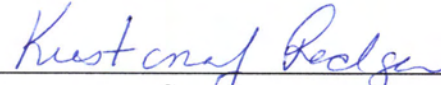
12. The proper officers of the Township are hereby authorized and directed to take all other action and enter into any additional agreements required by the Act or this Ordinance in connection with the issuance of the Note and to pay, on behalf of the Township, the costs of issuance of the Note.

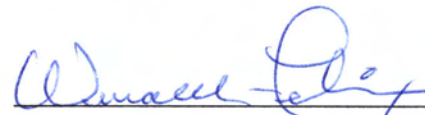
13. All ordinances or parts of ordinances insofar as they conflict with this Ordinance are hereby repealed.

ADOPTED this 16<sup>th</sup> day of January, 2012.

ATTEST:

PENN TOWNSHIP

  
\_\_\_\_\_  
Secretary

BY   
\_\_\_\_\_  
President, Board of Commissioners



RESOLUTION NO. 776

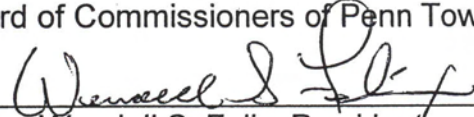
A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF PENN TOWNSHIP AUTHORIZING PENN  
TOWNSHIP TO ENTER INTO A LOAN AGREEMENT  
WITH THE PENNSYLVANIA INFRASTRUCTURE BANK

BE IT RESOLVED, by the authority of the Board of Commissioners of Penn Township, York County, and it is hereby resolved by authority of the same, that the Township Manager of Penn Township is hereby authorized and directed to sign the attached loan agreement on it's behalf and the Township Secretary is authorized and directed to attest to the same.

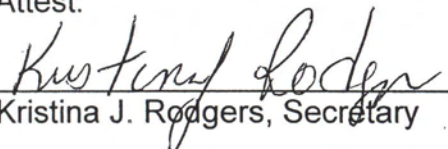
RESOLVED AND ENACTED, this 3rd day of January, 2011.

Board of Commissioners of Penn Township

By:

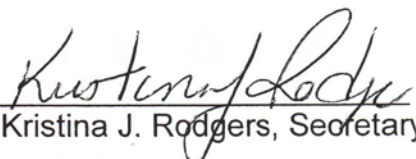
  
Wendell S. Felix, President

Attest:

  
Kristina J. Rodgers, Secretary

I, Kristina J. Rodgers, Secretary of the Board of Commissioners, Penn Township, do hereby certify that the foregoing is a true and correct copy of the Resolution adopted at a regular meeting of the Board of Commissioners, held the 3rd day of January, 2012.

Date: January 3, 2012

  
Kristina J. Rodgers, Secretary

Penn Township Unit Debt Act

Enter values	
Loan amount	\$ 700,000.00
Annual interest rate	1.625%
Loan period in years	10
Number of payments per year	2
Start date of loan	3/5/2012
Optional extra payments	

Loan summary	
Scheduled payment	\$ 38,062.42
Scheduled number of payments	20
Actual number of payments	20
Total early payments	\$ -
Total interest	\$ 61,248.39

Lender name: Pennsylvania Infrastructure Bank

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	9/5/2012	\$ 700,000.00	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,374.92	\$ 5,687.50	\$ 667,625.08	\$ 5,687.50
2	3/5/2013	\$ 667,625.08	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,637.97	\$ 5,424.45	\$ 634,987.12	\$ 11,111.95
3	9/5/2013	\$ 634,987.12	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,903.15	\$ 5,159.27	\$ 602,083.97	\$ 16,271.22
4	3/5/2014	\$ 602,083.97	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,170.49	\$ 4,891.93	\$ 568,913.48	\$ 21,163.16
5	9/5/2014	\$ 568,913.48	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,440.00	\$ 4,622.42	\$ 535,473.48	\$ 25,785.58
6	3/5/2015	\$ 535,473.48	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,711.70	\$ 4,350.72	\$ 501,761.78	\$ 30,136.30
7	9/5/2015	\$ 501,761.78	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,985.60	\$ 4,076.81	\$ 467,776.18	\$ 34,213.11
8	3/5/2016	\$ 467,776.18	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,261.74	\$ 3,800.68	\$ 433,514.44	\$ 38,013.80
9	9/5/2016	\$ 433,514.44	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,540.11	\$ 3,522.30	\$ 398,974.33	\$ 41,536.10
10	3/5/2017	\$ 398,974.33	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,820.75	\$ 3,241.67	\$ 364,153.57	\$ 44,777.77
11	9/5/2017	\$ 364,153.57	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,103.67	\$ 2,958.75	\$ 329,049.90	\$ 47,736.52
12	3/5/2018	\$ 329,049.90	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,388.89	\$ 2,673.53	\$ 293,661.01	\$ 50,410.05
13	9/5/2018	\$ 293,661.01	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,676.42	\$ 2,386.00	\$ 257,984.59	\$ 52,796.04
14	3/5/2019	\$ 257,984.59	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,966.29	\$ 2,096.12	\$ 222,018.30	\$ 54,892.17
15	9/5/2019	\$ 222,018.30	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,258.52	\$ 1,803.90	\$ 185,759.78	\$ 56,696.07
16	3/5/2020	\$ 185,759.78	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,553.12	\$ 1,509.30	\$ 149,206.65	\$ 58,205.36
17	9/5/2020	\$ 149,206.65	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,850.12	\$ 1,212.30	\$ 112,356.54	\$ 59,417.67
18	3/5/2021	\$ 112,356.54	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 37,149.52	\$ 912.90	\$ 75,207.02	\$ 60,330.56
19	9/5/2021	\$ 75,207.02	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 37,451.36	\$ 611.06	\$ 37,555.65	\$ 60,941.62
20	3/5/2022	\$ 37,555.65	\$ 38,062.42	\$ -	\$ 37,555.65	\$ 37,448.89	\$ 306.76	\$ -	\$ 61,248.39



AGREEMENT NO. 521029  
FEDERAL ID NO. 23-6003197  
SAP VENDOR NO. 139149  
CUSTOMER NO. 77004320

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF TRANSPORTATION**

**INFRASTRUCTURE BANK LOAN AGREEMENT**

THIS LOAN AGREEMENT, made the \_\_\_\_\_ day of \_\_\_\_\_,  
2011, between the Commonwealth of Pennsylvania, Department of  
Transportation, with offices at P.O. Box 3365, Harrisburg, Dauphin  
County, Pennsylvania, 17105-3365, hereinafter called the DEPARTMENT,

and

Penn Township with offices at 20 Wayne Avenue, Hanover, York  
County, Pennsylvania 17331, hereinafter called the TOWNSHIP.

**W I T N E S S E T H:**

WHEREAS, the DEPARTMENT, pursuant to Section 2015 of the  
Administrative Code of 1929, Act of November 26, 1997, No. 57, is  
empowered to make loans for infrastructure improvements in  
accordance with Federal law (Section 350 of the National Highway  
System Designation Act of 1995, Public Law 104-59, 23 U.S.C. §101  
note and related provisions); and,

WHEREAS, the TOWNSHIP will be reconstructing Center Street which has been recommended for improvements since 1992 in the TOWNSHIP as specified in the loan application and incorporated into this agreement by reference, hereinafter called the PROJECT; and,

WHEREAS, the TOWNSHIP is an eligible borrower under the Code and the Act, and,

WHEREAS, the TOWNSHIP wishes to borrow an amount not to exceed seven hundred thousand and 00/100 dollars (\$700,000.00), to construct the PROJECT and to be repaid over a period not to exceed ten (10) years; and,

WHEREAS, the TOWNSHIP has approved, by lawful action, the incurring of indebtedness and the taking of such other action necessary to secure a loan from the DEPARTMENT to construct the PROJECT; and,

NOW, THEREFORE, the parties, in consideration of the foregoing premises and of the promises herein contained, intending to be legally bound, agree as follows:

1. **Loan Amount:** The DEPARTMENT agrees to lend to the TOWNSHIP a principal amount not to exceed seven hundred thousand and 00/100 dollars (\$700,000.00) (the Loan Proceeds).

2. **Source of Loan Funds:** Funds for the Loan Proceeds shall be taken from the Highway Account of the Pennsylvania Infrastructure Bank.

3. **Use of Loan Funds:** The TOWNSHIP shall use all Loan Proceeds solely for the PROJECT.

4. **Disbursement:** The Loan Proceeds shall be disbursed in a single payment upon the execution of this Agreement.

5. **Account:** The TOWNSHIP shall deposit all loan proceeds in a separate PROJECT account maintained by the TOWNSHIP. **The TOWNSHIP will provide copies of all account statements to the DEPARTMENT within fifteen (15) days of receipt.** Any income earned by the TOWNSHIP from the loan proceeds may be used towards the repayment of the loan. Any excess interest income must be returned to the DEPARTMENT with the final loan repayment. The TOWNSHIP shall maintain full and complete records of all receipts and disbursements of these funds for three (3) years from the date of final loan repayment for inspection and/or audit. The DEPARTMENT, or any of



its authorized officers, agents or employees, shall have full and complete access to the records to inspect, copy, or carry them away, at any reasonable time during the term of this agreement or the three (3) year retention period. The account and records shall comply with generally accepted accounting practices.

6. **Repayment Terms:** The TOWNSHIP shall pay to the order of the DEPARTMENT the principal amount of seven hundred thousand and 00/100 dollars (\$700,000.00). Interest shall accrue on the unpaid principal balance at the rate of 1.625% per annum. The TOWNSHIP shall repay the principal of the loan in twenty (20) consecutive semi-annual payments due and payable beginning on or before six months from loan disbursement.

7. **Prepayments:** The TOWNSHIP may prepay the Note in whole at any time or in part from time to time, without penalty or premium but with accrued interest to the date of such prepayment on the amount prepaid. Each partial prepayment shall be in the aggregate principal amount of one thousand dollars (\$1,000) or an integral multiple thereof. Each partial prepayment shall be applied to the principal installments in the inverse order of their maturities.

8. **Late or Incomplete Payments:** If the DEPARTMENT has not received the full amount of any due payment by the end of fifteen (15) business days after the date that it is due, the TOWNSHIP will pay a late charge of one percent (1%) of the overdue payment of principal and interest. The late charge shall be paid no later than forty-five (45) days past the payment due date. Failure to pay all amounts currently due, including the late charge shall result in either a declaration of default or the payment and late charge taken from the loan security without the declaring of default by the DEPARTMENT.

9. **Repayments:** The TOWNSHIP shall make all repayments in the form of a check made payable to "Commonwealth of Pennsylvania" and addressed as follows:

Commonwealth of Pennsylvania  
Office of Comptroller Operations  
Special Accounting Division / Transportation  
555 Walnut Street  
Harrisburg, PA 17101

10. **Fees:** The TOWNSHIP shall pay to the DEPARTMENT the amount of zero dollars (\$0.00), which shall represent all origination, loan management, and other administrative costs incurred by the DEPARTMENT in connection with this loan.

11. **Compliance with law:** The TOWNSHIP hereby certifies and covenants that:

a) All acts, conditions, and things required to be done, to happen, or to be performed as conditions precedent to issuance of this loan or in creation of debt have happened or have been performed in due and regular form and manner, as required by law.

b) That the TOWNSHIP has included the amount of debt service for this loan in its budget for each fiscal year in which sums are payable.

c) That the TOWNSHIP shall duly and punctually pay or cause to be paid the principal of this loan and any interest due as stated in this Agreement.

d) The debt incurred by this loan, together with any other indebtedness of the TOWNSHIP, does not exceed any legal limitation upon the TOWNSHIP.

e) The TOWNSHIP shall provide a certified resolution authorizing execution of this Agreement, in form and substance satisfactory to the DEPARTMENT and legal counsel to the DEPARTMENT.



12. **Default:** Upon the occurrence of any default which default is not cured within thirty (30) days after receipt of written notice from the DEPARTMENT, the unpaid principal balance plus any accrued interest plus any other sums payable under this agreement shall become due and payable immediately and without further notice to the TOWNSHIP. Any of the following shall constitute default:

a) Failure of the TOWNSHIP to make a payment of principal within ten (10) days of when due.

b) Failure of the TOWNSHIP to observe all or any one of the terms of this agreement.

c) A materially false or erroneous statement, certificate, report, representation, or warranty made by the TOWNSHIP in connection with the loan or this Agreement.

d) Use of the Loan Proceeds for purposes other than the PROJECT.

e) The TOWNSHIP (i) becomes insolvent, (ii) admits its inability to pay its debts as they come due, (iii) makes an assignment to the benefit of its creditors, (iv) is adjudicated bankrupt or insolvent, (v) voluntarily initiates proceedings under any bankruptcy or reorganization law, (vi) becomes the subject of any involuntary proceedings under any bankruptcy or reorganization law that is not discharged within sixty (60) days from its initiation, or (vii) seeks to take advantage of any moratorium law.

f) A receiver, liquidator, or trustee is appointed for the TOWNSHIP and is not discharged within sixty (60) days.

13. **Remedies upon default:** Upon a default, the DEPARTMENT may withhold all or part of the TOWNSHIP's Liquid Fuels Tax allocation under the Liquid Fuels Municipal Allocation Law, Act of June 1, 1956 (P.L. (1955)1944), or under 75 Pa.C.S. Chapter 95 or any other statute or regulation, or impose such other penalties as the DEPARTMENT may prescribe.

14. **Indemnity:** The TOWNSHIP shall indemnify, hold harmless, and defend the Commonwealth, its agencies, officers, agents, and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, or any other person, firm, or corporation furnishing work, supplies, or services in

connection with the PROJECT, and from any and all claims and losses accruing or resulting to any person, firm, corporation, or other entity who may be injured or damaged by the TOWNSHIP or any agent, employee, or independent contractor of the TOWNSHIP in the performance of the PROJECT.

15. **Continuation of representations and warranties:** All of the representations and warranties of the TOWNSHIP set forth in this Agreement shall survive and continue until the loan is paid in full and all of the TOWNSHIP's obligations hereunder have been satisfied.

16. **Severability:** If any of the terms, covenants, conditions, or provisions of this Agreement are adjudged to be invalid or unenforceable, then that invalidity or unenforceability shall not render any other term, covenant, condition, or provision of this agreement invalid or unenforceable.

17. **No Waiver:** No delay or failure by the DEPARTMENT in exercising any right, power, or privilege conferred by this Agreement or any provision of law shall be deemed a waiver of that right, power, or privilege; nor shall any single or partial exercise thereof or any abandonment, waiver, or discontinuance of steps to enforce such a right, power, or privilege be deemed a waiver of any other or further exercise thereof, or of any other right, power, or



privilege. The DEPARTMENT's rights and remedies under this Agreement are cumulative and concurrent and do not exclude any rights or remedies that it might otherwise have. The DEPARTMENT shall have the right to strictly enforce this Agreement, notwithstanding any conduct or custom by the DEPARTMENT in refraining from doing so. If the DEPARTMENT fails to enforce its rights under this Agreement, then it shall not be considered as having created a custom contrary to this Agreement or as having modified or waived any part of this Agreement.

18. **Form of Approval:** Any permit, consent, approval, or waiver of any kind by the DEPARTMENT must be in writing and executed by the DEPARTMENT and shall be effective only to the extent specifically set forth in that writing.

19. **Entire Agreement:** This Agreement constitutes the entire Agreement between the parties. This Agreement may be modified as outlined in Section 27 of this Agreement.

20. **Form of Notice:** Any notices or consents required or permitted by this Agreement shall be deemed sufficient if in writing and addressed to the TOWNSHIP, attention: Chair, Board of Supervisors, the TOWNSHIP or the DEPARTMENT, as applicable, and shall be deemed to be delivered if delivered in person or sent by

certified or registered mail, postage prepaid, return receipt requested, addressed to the TOWNSHIP or the DEPARTMENT at the addresses set forth at the beginning of this Agreement. Notice shall be effective upon delivery if delivered in person or on the second business day following mailing if mailed.

21. **Additional Instruments:** The TOWNSHIP shall execute any additional instruments that the DEPARTMENT requests to further confirm and assure the interests and rights created or intended to be created in favor of the DEPARTMENT under this Agreement.

22. **Nonassignability:** This Agreement shall be binding upon the TOWNSHIP and the DEPARTMENT and their respective successors and assigns, except that the TOWNSHIP may not assign its rights without the DEPARTMENT'S prior written consent.

23. **No Attachment by Creditors: No Cause of Action:** The parties do not intend the benefits of this Agreement to inure to any third party. No portion of the DEPARTMENT'S commitment to make the loan will be subject to attachment or levy by any creditor of the TOWNSHIP or by any contractor, subcontractor, material person, or supplier, or any creditor of any contractor, subcontractor, material person, or supplier. Notwithstanding anything contained in any document executed in connection with this transaction, or any

conduct or course of conduct by any of the parties hereto, before or after signing this Agreement, this Agreement shall not be construed as creating any rights, claims, or causes of action against the Commonwealth, or any agency, officer, agent, or employee thereof, in favor of any contractor, subcontractor, supplier of labor or materials, or any of their respective creditors, or any other person or entity other than the DEPARTMENT.

24. ***Incorporation by reference:*** The TOWNSHIP accepts and agrees to comply with the Contractor Integrity Provisions, the Provisions Concerning the Americans with Disability Act, Commonwealth Nondiscrimination /Sexual Harassment Clause, and the Contractor Responsibilities Provisions which are attached to this agreement collectively as **Exhibit A** and are incorporated into this paragraph by reference.

25. ***Catalog of Domestic Assistance Information:*** Contract No. 521029 is, expenditure amount of seven hundred thousand and 00/100 dollars (\$700,000.00) (100%) for state funds. The related State assistance program name and number is 471.



26. **Offset Provision:** The TOWNSHIP agrees that the Commonwealth may offset the amount of any state tax or Commonwealth liability of the TOWNSHIP or its affiliates and subsidiaries that is owed to the Commonwealth against any payments due the TOWNSHIP under this or any other contract with the Commonwealth.

27. **Modifications to the Agreement:** The DEPARTMENT or the TOWNSHIP may amend the provisions of the Agreement by letter from the Deputy Secretary for Planning or his/her designee or by the TOWNSHIP. Both parties shall agree to the change by letter.

28. **Promissory Note:** The TOWNSHIP's obligation to repay the Loan Proceeds shall be evidenced by a promissory note (the "Note"), **Exhibit B**, payable to the order of the DEPARTMENT in the principal amount of the loan. The TOWNSHIP shall provide the DEPARTMENT with a copy of a duly executed debt ordinance and Note, approved by the Commonwealth of Pennsylvania, Department of Community and Economic Development under the Local Government Unit Debt Act. The DEPARTMENT must receive the executed ordinance and Note, in a form approved by the Department of Community and Economic Development, before any funds will be disbursed by the DEPARTMENT.

29. **U.S. Government Disclaimer:** Financial assistance from the Pennsylvania Infrastructure Bank does not constitute a commitment, guarantee or obligation of the United States.

30. **Payment:** Payment described herein shall be made in accordance with Commonwealth Management Directive 310.30, issued May 24, 2007, relating to the Pennsylvania Electronic Payment Program and the establishment of the Automated Clearing House Network ("ACH") as the Commonwealth's preferred method of payment. The following provisions apply:

(a) The DEPARTMENT will make payments to the TOWNSHIP through ACH. Within 10 days of executing this Supplemental Agreement, the TOWNSHIP must submit or must have already submitted its ACH information on a ACH enrollment form (**Exhibit C**) obtained at [www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf](http://www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf)) and electronic addenda information, if desired, to the Commonwealth's Payable Service Center, Vendor Data Management Unit at 717-214-0140 (FAX) or by mail to the Office of Comptroller Operations, Bureau of Payable Services, Payable Service Center, Vendor Data Management Unit, 555 Walnut Street-9th Floor, Harrisburg, PA 17101.

(b) The TOWNSHIP must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the TOWNSHIP to properly apply the state agency's payment to the respective invoice or program.

(c) It is the responsibility of the TOWNSHIP to ensure that the ACH information contained in the Commonwealth's Central Vendor Master File is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

31. **Right-to-Know Law:** The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, applies to this Agreement. Therefore, this Agreement is subject to, and the BORROWER shall comply with, the clause entitled Contract Provisions - Right to Know Law 8-K-1532, attached as **Exhibit D** and incorporated into this paragraph by reference. As used in this clause, the term "Contractor" refers to the BORROWER.



IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

ATTEST

CHAIR, BOARD OF SUPERVISORS  
Penn TOWNSHIP

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

BY \_\_\_\_\_  
Title: DATE

*If a Corporation, the President or Vice-president must sign and the Secretary, Treasurer, Assistant Secretary or Assistant Treasurer must attest; if a sole proprietorship, only the owner must sign; if a partnership, only one partner need sign; if a limited partnership, only the general partner must sign. If a Municipality, Authority or other government entity, please attach a resolution.*

DO NOT WRITE BELOW THIS LINE--FOR COMMONWEALTH USE ONLY

APPROVED

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF TRANSPORTATION

BY \_\_\_\_\_  
PIB Manager DATE

BY \_\_\_\_\_  
Deputy Secretary of DATE  
Transportation

APPROVED AS TO LEGALITY  
AND FORM

BY \_\_\_\_\_  
for Chief Counsel DATE

BY \_\_\_\_\_  
Deputy General Counsel DATE

FUNDS COMMITMENT DOC. NO. \_\_\_\_\_  
CERTIFIED FUNDS AVAILABLE UNDER  
SAP NO. \_\_\_\_\_  
SAP COST CENTER \_\_\_\_\_  
GL. ACCOUNT \_\_\_\_\_  
AMOUNT \_\_\_\_\_

BY \_\_\_\_\_  
Deputy Attorney General DATE

BY \_\_\_\_\_  
for Comptroller DATE

MISCELLANEOUS

## CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth procurement process.

In furtherance of this policy, Contractor agrees to the following:

1. Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting with the Commonwealth.
2. Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to Contractor employee activity with the Commonwealth and Commonwealth employees, and which is distributed and made known to all Contractor employees.
3. Contractor, its affiliates, agents and employees shall not influence, or attempt to influence, any Commonwealth employee to breach the standards of ethical conduct for Commonwealth employees set forth in the *Public Official and Employees Ethics Act, 65 Pa.C.S. §§1101 et seq.*; the *State Adverse Interest Act, 71 P.S. §776.1 et seq.*; and the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.*, or to breach any other state or federal law or regulation.
4. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person at the direction or request of any Commonwealth official or employee.
5. Contractor, its affiliates, agents and employees shall not offer, give, or agree or promise to give any gratuity to a Commonwealth official or employee or to any other person, the acceptance of which would violate the *Governor's Code of Conduct, Executive Order 1980-18, 4 Pa. Code §7.151 et seq.* or any statute, regulation, statement of policy, management directive or any other published standard of the Commonwealth.
6. Contractor, its affiliates, agents and employees shall not, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any Commonwealth official or employee.
7. Contractor, its affiliates, agents, employees, or anyone in privity with him or her shall not accept or agree to accept from any person, any gratuity in connection with the performance of work under the contract, except as provided in the contract.



8. Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material on this project, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
9. Contractor, its affiliates, agents and employees shall not disclose to others any information, documents, reports, data, or records provided to, or prepared by, Contractor under this contract without the prior written approval of the Commonwealth, except as required by the *Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104*, or other applicable law or as otherwise provided in this contract. Any information, documents, reports, data, or records secured by Contractor from the Commonwealth or a third party in connection with the performance of this contract shall be kept confidential unless disclosure of such information is:
  - a. Approved in writing by the Commonwealth prior to its disclosure; or
  - b. Directed by a court or other tribunal of competent jurisdiction unless the contract requires prior Commonwealth approval; or
  - c. Required for compliance with federal or state securities laws or the requirements of national securities exchanges; or
  - d. Necessary for purposes of Contractor's internal assessment and review; or
  - e. Deemed necessary by Contractor in any action to enforce the provisions of this contract or to defend or prosecute claims by or against parties other than the Commonwealth; or
  - f. Permitted by the valid authorization of a third party to whom the information, documents, reports, data, or records pertain; or
  - g. Otherwise required by law.
10. Contractor certifies that neither it nor any of its officers, directors, associates, partners, limited partners or individual owners has not been officially notified of, charged with, or convicted of any of the following and agrees to immediately notify the Commonwealth agency contracting officer in writing if and when it or any officer, director, associate, partner, limited partner or individual owner has been officially notified of, charged with, convicted of, or officially notified of a governmental determination of any of the following:



- a. Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property.
- b. Commission of fraud or a criminal offense or other improper conduct or knowledge of, approval of or acquiescence in such activities by Contractor or any affiliate, officer, director, associate, partner, limited partner, individual owner, or employee or other individual or entity associated with:
  - (1) obtaining;
  - (2) attempting to obtain; or
  - (3) performing a public contract or subcontract.

Contractor's acceptance of the benefits derived from the conduct shall be deemed evidence of such knowledge, approval or acquiescence.

- c. Violation of federal or state antitrust statutes.
- d. Violation of any federal or state law regulating campaign contributions.
- e. Violation of any federal or state environmental law.
- f. Violation of any federal or state law regulating hours of labor, minimum wage standards or prevailing wage standards; discrimination in wages; or child labor violations.
- g. Violation of the *Act of June 2, 1915 (P.L. 736, No. 338)*, known as the *Workers' Compensation Act, 77 P.S. 1 et seq.*
- h. Violation of any federal or state law prohibiting discrimination in employment.
- i. Debarment by any agency or department of the federal government or by any other state.
- j. Any other crime involving moral turpitude or business honesty or integrity.

Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause upon such notification or when the Commonwealth otherwise learns that Contractor has been officially notified, charged, or convicted.

- 11. If this contract was awarded to Contractor on a non-bid basis, Contractor must, (as required by *Section 1641* of the *Pennsylvania Election Code*) file a report of political contributions with the Secretary of the Commonwealth on or before February 15 of the next calendar year. The report must include an itemized list of all political contributions

known to Contractor by virtue of the knowledge possessed by every officer, director, associate, partner, limited partner, or individual owner that has been made by:

- a. Any officer, director, associate, partner, limited partner, individual owner or members of the immediate family when the contributions exceed an aggregate of one thousand dollars (\$1,000) by any individual during the preceding year; or
- b. Any employee or members of his immediate family whose political contribution exceeded one thousand dollars (\$1,000) during the preceding year.

To obtain a copy of the reporting form, Contractor shall contact the Bureau of Commissions, Elections and Legislation, Division of Campaign Finance and Lobbying Disclosure, Room 210, North Office Building, Harrisburg, PA 17120.

12. Contractor shall comply with requirements of the *Lobbying Disclosure Act, 65 Pa.C.S. § 13A01 et seq.*, and the regulations promulgated pursuant to that law. Contractor employee activities prior to or outside of formal Commonwealth procurement communication protocol are considered lobbying and subjects the Contractor employees to the registration and reporting requirements of the law. Actions by outside lobbyists on Contractor's behalf, no matter the procurement stage, are not exempt and must be reported.
13. When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or in these provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or Commonwealth Inspector General in writing.
14. Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these contractor integrity provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract.
15. Contractor shall cooperate with the Office of Inspector General in its investigation of any alleged Commonwealth employee breach of ethical standards and any alleged Contractor non-compliance with these provisions. Contractor agrees to make identified Contractor employees available for interviews at reasonable times and places. Contractor, upon the inquiry or request of the Office of Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refers to or concern this contract.
16. For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an



amount equal to the value of anything received in breach of these provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

17. For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Paragraph 17.
- a. "Confidential information" means information that a) is not already in the public domain; b) is not available to the public upon request; c) is not or does not become generally known to Contractor from a third party without an obligation to maintain its confidentiality; d) has not become generally known to the public through a act or omission of Contractor; or e) has not been independently developed by Contractor without the use of confidential information of the Commonwealth.
  - b. "Consent" means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by pre-qualification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this contract.
  - c. "Contractor" means the individual or entity that has entered into this contract with the Commonwealth, including those directors, officers, partners, managers, and owners having more than a five percent interest in Contractor.
  - d. "Financial interest" means:
    - (1) Ownership of more than a five percent interest in any business; or
    - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
  - e. "Gratuity" means tendering, giving or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.
  - f. "Immediate family" means a spouse and any unemancipated child.



- g. "Non-bid basis" means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.
- h. "Political contribution" means any payment, gift, subscription, assessment, contract, payment for services, dues, loan, forbearance, advance or deposit of money or any valuable thing, to a candidate for public office or to a political committee, including but not limited to a political action committee, made for the purpose of influencing any election in the Commonwealth of Pennsylvania or for paying debts incurred by or for a candidate or committee before or after any election.

January 16, 2001

**PROVISIONS CONCERNING *THE AMERICANS WITH DISABILITIES ACT***

During the term of this contract, the Contractor agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of *The Americans With Disabilities Act*, 28 C.F.R. § 35.101 et seq., The Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this contract or from activities provided for under this contract. As a condition of accepting and executing this contract, the Contractor agrees to 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* which are applicable to the benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
2. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of paragraph 1.

EXHIBIT A

## NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE [Contracts]

The Contractor agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor 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. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract on account of gender, race, creed, or color.
3. The Contractor and each 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 Contractor and each subcontractor shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work to which the contracts relates.
5. The Contractor and each 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 contracting agency and the Bureau of Minority and Women Business Opportunities (BMWBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. Within fifteen (15) days after award of any contract, the Contractor shall be required to complete, sign and submit Form STD-21, the "Initial Contract Compliance Data" form. If the contract is a construction contract, then the Contractor shall be required to complete, sign and submit Form STD-28, the "Monthly Contract Compliance Report for Construction Contractors", each month no later than the 15<sup>th</sup> of the month following the reporting period beginning with the initial job conference and continuing through the completion of the project. Those contractors who have fewer than five employees or whose employees are all from the same family or who have completed the Form STD-21 within the past 12 months may, within the 15 days, request an exemption from the Form STD-21 submission requirement from the contracting agency.
6. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

Exhibit A



## **Contractor Responsibility Provisions**

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
5. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
6. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services  
Office of Chief Counsel  
603 North Office Building  
Harrisburg, PA 17125  
Telephone No: (717) 783-6472  
FAX No: (717) 787-9138

**PROMISSORY NOTE**

FOR VALUE RECEIVED, Penn Township, a Pennsylvania municipal authority (the "Maker"), does hereby promise to pay to the order of the Commonwealth of Pennsylvania, Department of Transportation (the "Payee") at its office at Harrisburg, Pennsylvania the principal amount of seven hundred thousand and 00/100 dollars (\$700,000.00) in lawful money of the United States of America and in twenty (20) consecutive semi-annual installments in accordance with a payment schedule to be provided by the Payee, each payable with interest at the rate per annum set forth in the Loan Agreement between the Maker and the Payee made contemporaneously with this Note.

This Note is the Promissory Note to which reference is made in the Loan Agreement, Number 521029, between the Maker and the Payee and is subject to the terms provided therein.

Penn Township

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

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

**PAYMENT GUARANTEED.**

Penn Township

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


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

**EXHIBIT B**



# MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania  
Governor's Office

<b>Subject:</b> Pennsylvania Electronic Payment Program (PEPP)	<b>Number:</b> 310.30 Amended
<b>Date:</b> May 22, 2009	<b>By Direction of:</b>  Mary A. Soderberg, Secretary of the Budget
<b>Contact Agency:</b> Office of the Budget, Office of Comptroller Operations, Bureau of Payable Services, Telephone 717-425-6538	

**This directive establishes policy and defines responsibilities for the use of the Automated Clearing House Network for the processing of non-payroll payments. This amendment updates purpose, definitions, policy and responsibilities to address electronic addenda and encourages the use of electronic addenda to replace paper remittance advice. The Electronic Addenda User Acceptance Agreement is included as an enclosure. This amendment also updates procedures and references resulting from the Office of Comptroller Operations reorganization. Marginal dots are excluded due to major changes.**

- 1. PURPOSE.** To promote the use of the Automated Clearing House (ACH) Network for the payment of all non-payroll payments not made by the purchasing card.
- 2. SCOPE.** Applies to all agencies under the Governor's jurisdiction. Other agencies are encouraged to adopt similar policies.
- 3. OBJECTIVE.** To establish ACH and electronic addenda as the preferred payment method for non-payroll payments that cannot be made using the commonwealth purchasing card. The purchasing card is the preferred method of payment for eligible payments equal to or less than \$5,000.
- 4. DEFINITIONS.**
  - a. Automated Clearing House (ACH) Network.** A highly reliable and efficient nationwide batch-oriented electronic funds transfer system governed by the NACHA Operating Rules which provide for the interbank clearing of electronic payments for participating depository financial institutions. The Federal Reserve and Electronic Payments Network act as ACH Operators, central clearing facilities through which financial institutions transmit or receive ACH entries. Under this process, a payment is transferred electronically from a commonwealth bank account to a payee-designated bank account.

Exhibit C



- b. **ACH Payments.** Electronic remittance to individuals or entities that are made electronically within the banking system; eliminate the need to print and mail a check; ensure that a payee receives payment by a specific date; provide an efficient, cost effective, and payee-friendly means of making payments; are environmentally friendly through the reduced use of paper, postage, office supplies, processing time, and storage space; and provide payees with an option to receive electronic addenda.
  - c. **Eligible Payments.** Non-payroll payments that can be made via ACH in accordance with commonwealth policy. Eligible payments for ACH include those over \$5,000 or those which cannot be made with the purchasing card.
  - d. **Direct Payments.** Payments not associated with a purchase order or not entered via an interface.
  - e. **Electronic Addenda.** Payment identification data included in the ACH transaction sent to the bank, replacing the paper remittance.
5. **POLICY.** The Pennsylvania Electronic Payment Program (PEPP) establishes ACH and electronic addenda as the preferred method of payment in lieu of issuing checks and mailing remittance advices. Agencies shall adopt and promote ACH and electronic addenda as the preferred method of payment for eligible payments not made by the purchasing card. Both procurement and non-procurement agreements shall contain provisions that establish ACH as the required method of payment. Electronic addenda should be promoted with ACH but is not required. Agencies may grant waivers to these provisions on a case-by-case basis; however, such waivers are strongly discouraged.

## 6. RESPONSIBILITIES.

### a. Agencies are responsible for:

- (1) Including a provision in contracts and grant agreements that requires the payee to participate in PEPP (see Enclosure 1); including a copy of the PEPP enrollment form (see Enclosure 2) or listing the website where it can be obtained and completed online, as applicable (see [www.vendorregistration.state.pa.us/cvnu/paper/Forms/ACH-EFTenrollmentform.pdf](http://www.vendorregistration.state.pa.us/cvnu/paper/Forms/ACH-EFTenrollmentform.pdf)); and issuing waivers to this provision on a case-by-case basis, only when strong justification exists for such waiver.
- (2) Informing payees about the availability of PEPP, encouraging and facilitating payees' enrollment in the program, and providing payees with the necessary forms (see Enclosure 3) or websites for enrollment.
- (3) Selecting the ACH payment method in SAP when ACH banking information exists in the vendor master record.

### b. Office of Comptroller Operations, Bureau of Payable Services is responsible for:

- (1) Encouraging payees to participate in PEPP and facilitating their enrollment.

- (2) Selecting the ACH payment method in SAP when ACH banking information exists in the vendor master record.
- (3) Ensuring contracts and grant agreements include language that requires the vendor to participate in PEPP.

**7. PROCEDURES.**

**a. Action by: Agency.**

- (1) Determine the need for, and subsequently implement provisions in a contract or grant agreement that require the payee to participate in PEPP.
- (2) Provide a copy of the PEPP enrollment form to be completed by the payee in paper or electronic format.
- (3) Encourage the payee to enroll in PEPP and eliminate the need for paper remittance by receiving electronic addenda.

**b. Action by: Office of Comptroller Operations, Bureau of Payable Services.**

- (1) Receive PEPP enrollment form and electronic addenda information, if applicable, from payee and review for completeness and accuracy.
- (2) Update the payee record in the commonwealth's central vendor master file to reflect ACH and electronic addenda information.
- (3) Select ACH payment method when processing payment to payee, if ACH information exists in the vendor master record.
- (4) Ensure that contracts and grant agreements include language that requires the payee to participate in PEPP.

**Enclosure 1 - Standard Provisions**

**Enclosure 2 - PEPP Enrollment Form**

**Enclosure 3 - Electronic Addenda User Acceptance Agreement**

**This directive replaces, in its entirety, *Management Directive 310.30* dated May 24, 2007.**

The following standard provisions should be included in the respective contracts or grant agreements:

**For Procurement Contracts:**

- a. The commonwealth will make contract payments through ACH. Within 10 days of award of the contract or purchase order, the contractor must submit or must have already submitted its ACH information within its user profile in the commonwealth's procurement system (SRM). At the time of submitting ACH information, the contractor will also be able to enroll to receive remittances via electronic addenda.
- b. The contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the contractor to properly apply the state agency's payment to the invoice submitted.
- c. It is the responsibility of the contractor to ensure that the ACH information contained in SRM is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

**For use in grant agreements:**

- a. The commonwealth will make payments to the recipient through ACH. Within 10 days of the grant award, the recipient must submit or must have already submitted its ACH and electronic addenda information, if desired, to the commonwealth's Payable Service Center, Vendor Data Management Unit at 717-214-0140 (FAX) or by mail to the Office of Comptroller Operations, Bureau of Payable Services, Payable Service Center, Vendor Data Management Unit, 555 Walnut Street - 9<sup>th</sup> Floor, Harrisburg, PA 17101.
- b. The recipient must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the recipient to properly apply the state agency's payment to the respective invoice or program.
- c. It is the responsibility of the recipient to ensure that the ACH information contained in the commonwealth's central vendor master file is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.



**Commonwealth of Pennsylvania**  
**Pennsylvania Electronic Payment Program (PEPP) Enrollment Form**

Only the Owner of the Bank Account or an Authorized Company Official may request payments via ACH.

**ACTION REQUESTED:** (check one)  NEW  CHANGE  STOP

---

**Recipient Information (Please PRINT or TYPE Information)**

Federal Taxpayer  
Identification Number: \_\_\_\_\_

SAP Vendor Number: \_\_\_\_\_

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

If receiving payments from PA Dept of Transportation, identify type of payments to be deposited:

\_\_\_\_\_

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

Or  
PO Box: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

---

**Financial Institution Information**

Account Type: (check one)  CHECKING  SAVINGS

Bank Routing Number (9-digit number): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_

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

Bank Street Address: \_\_\_\_\_

Or  
PO Box: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Phone # \_\_\_\_\_

Please inform your financial institution that you will be having ACH transactions posted to the above account. Please provide a contact person and phone number for recipient. Please notify Commonwealth of PA, Bureau of Payable Services, Payable Service Center Vendor Data Management Unit, at 717-346-2676 (Fax 717-214-0140) if you change your financial institution or account number.

Contact: \_\_\_\_\_ Phone No.: \_\_\_\_\_

_____ Signature and Title of Account Holder or Authorized Official	_____ Date
---	---------------

*Exhibit C*

*Electronic addenda will provide electronic documentation of payments from the Commonwealth of Pennsylvania to a vendor's financial institution when the payments are deposited to the vendor's account. Electronic addenda will replace paper remittance advices.*

**Commonwealth of Pennsylvania  
Electronic Addenda User Acceptance Agreement**

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

Vendor Taxpayer Identification Number: \_\_\_\_\_

Vendor Number: \_\_\_\_\_

Vendor accepts all of the following requirements/conditions:

- Vendor waives receipt of paper remittance advices for all payments made by the Commonwealth of Pennsylvania through the SAP accounts payable system.
- Vendor will establish receipt of electronic addenda and notification method with financial institution (addenda will be sent in PPD+ format).
- Vendor is responsible for any fees associated with electronic addenda that may be charged by financial institution.
- Vendor understands that payment information is limited to non-confidential payments.
- Vendor understands that receipt of electronic addenda does not apply to Commonwealth agencies issuing payments outside of the SAP accounts payable system.

Authorized signature:

Name: (please print) \_\_\_\_\_ Title: \_\_\_\_\_

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Please fax completed Agreement to the Commonwealth of Pennsylvania's Vendor Data Management Unit at 717-214-0140. Questions may be directed to the Vendor Data Management Unit in Harrisburg at 717-346-2676 or toll free, outside of the Harrisburg area, at 877-435-7363.

*Exhibit C*

**Contract Provisions – Right to Know Law 8-K-1532**

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.
- b. If the Commonwealth needs the Contractor’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires the Contractor’s assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor’s possession, constituting, or alleged to constitute, a public record in accordance with the RTKL (“Requested Information”), the Contractor shall:
1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor’s possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
  2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth’s determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor’s failure, including any statutory damages assessed against the Commonwealth.

Revised February 1, 2010

*Ethel D*



g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.

h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

Revised February 1, 2010

Exhibit D

Enter values	
Loan amount	\$ 700,000.00
Annual interest rate	1.625%
Loan period in years	10
Number of payments per year	2
Start date of loan	3/5/2012
Optional extra payments	

Loan summary	
Scheduled payment	\$ 38,062.42
Scheduled number of payments	20
Actual number of payments	20
Total early payments	\$ -
Total interest	\$ 61,248.39

Lender name: Pennsylvania Infrastructure Bank

Pmt. No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	9/5/2012	\$ 700,000.00	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,374.92	\$ 5,687.50	\$ 667,625.08	\$ 5,687.50
2	3/5/2013	\$ 667,625.08	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,637.97	\$ 5,424.45	\$ 634,987.12	\$ 11,111.95
3	9/5/2013	\$ 634,987.12	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 32,903.15	\$ 5,159.27	\$ 602,083.97	\$ 16,271.22
4	3/5/2014	\$ 602,083.97	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,170.49	\$ 4,891.93	\$ 568,913.48	\$ 21,163.16
5	9/5/2014	\$ 568,913.48	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,440.00	\$ 4,622.42	\$ 535,473.48	\$ 25,785.58
6	3/5/2015	\$ 535,473.48	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,711.70	\$ 4,350.72	\$ 501,761.78	\$ 30,136.30
7	9/5/2015	\$ 501,761.78	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 33,985.60	\$ 4,076.81	\$ 467,776.18	\$ 34,213.11
8	3/5/2016	\$ 467,776.18	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,261.74	\$ 3,800.68	\$ 433,514.44	\$ 38,013.80
9	9/5/2016	\$ 433,514.44	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,540.11	\$ 3,522.30	\$ 398,974.33	\$ 41,536.10
10	3/5/2017	\$ 398,974.33	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 34,820.75	\$ 3,241.67	\$ 364,153.57	\$ 44,777.77
11	9/5/2017	\$ 364,153.57	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,103.67	\$ 2,958.75	\$ 329,049.90	\$ 47,736.52
12	3/5/2018	\$ 329,049.90	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,388.89	\$ 2,673.53	\$ 293,661.01	\$ 50,410.05
13	9/5/2018	\$ 293,661.01	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,676.42	\$ 2,386.00	\$ 257,984.59	\$ 52,796.04
14	3/5/2019	\$ 257,984.59	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 35,966.29	\$ 2,096.12	\$ 222,018.30	\$ 54,892.17
15	9/5/2019	\$ 222,018.30	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,258.52	\$ 1,803.90	\$ 185,759.78	\$ 56,696.07
16	3/5/2020	\$ 185,759.78	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,553.12	\$ 1,509.30	\$ 149,206.65	\$ 58,205.36
17	9/5/2020	\$ 149,206.65	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 36,850.12	\$ 1,212.30	\$ 112,356.54	\$ 59,417.67
18	3/5/2021	\$ 112,356.54	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 37,149.52	\$ 912.90	\$ 75,207.02	\$ 60,330.56
19	9/5/2021	\$ 75,207.02	\$ 38,062.42	\$ -	\$ 38,062.42	\$ 37,451.36	\$ 611.06	\$ 37,755.65	\$ 60,941.62
20	3/5/2022	\$ 37,755.65	\$ 38,062.42	\$ -	\$ 37,755.65	\$ 37,448.89	\$ 306.76	\$ -	\$ 61,248.39

**PROMISSORY NOTE**

FOR VALUE RECEIVED, Penn Township, a Pennsylvania municipal authority (the "Maker"), does hereby promise to pay to the order of the Commonwealth of Pennsylvania, Department of Transportation (the "Payee") at its office at Harrisburg, Pennsylvania the principal amount of seven hundred thousand and 00/100 dollars (\$700,000.00) in lawful money of the United States of America and in twenty (20) consecutive semi-annual installments in accordance with a payment schedule to be provided by the Payee, each payable with interest at the rate per annum set forth in the Loan Agreement between the Maker and the Payee made contemporaneously with this Note.

This Note is the Promissory Note to which reference is made in the Loan Agreement, Number 521029, between the Maker and the Payee and is subject to the terms provided therein.

Penn Township

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

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

**PAYMENT GUARANTEED.**

Penn Township

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

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