

June 20, 2003

**REQUEST FOR PROPOSALS
FOR
LEGAL SERVICES: COUNSEL TO RETIREMENT BOARD**

I. INTRODUCTION

The Massachusetts Port Authority ("Massport" or the "Authority"), a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth"), created and existing pursuant to Chapter 465 of the Acts of 1956, as amended (as so amended, the "Enabling Act"), is seeking proposals from individual attorneys or law firms having an established practice involving employee pension and retirement matters and the legal issues relating to management of institutional trust funds.

The purpose of this Request for Proposals ("RFP") is to allow Massport to select one or more attorneys or law firms to provide services as legal advisor ("Retirement Counsel") to the Massachusetts Port Authority Employees' Retirement System (the "Retirement System" or "System"). The Authority anticipates that the attorney(s) or firm(s) chosen will be offered the engagement for a period of three (3) years, commencing in July, 2003, which then may be extended for successive one year periods, solely at Massport's election. At Massport's election, however, such services may be terminated at any time.

Interested attorneys or firms must provide complete but succinct responses to this RFP and such responses must be received by the Authority no later than 3:00 p.m., Boston time, on July 8, 2003.

The Authority owns and operates Boston Logan International Airport ("Logan Airport"), Laurence G. Hanscom Field, the Tobin Memorial Bridge and various facilities in and around the Port of Boston. In addition, under an agreement with the City of Worcester, Massachusetts, the Authority operates Worcester Regional Airport. The Massachusetts Port Authority Employees' Retirement System (the "System") is a single employer retirement plan established on July 18, 1978, effective January 1, 1979, by enactment of Chapter 487 of the Acts of 1978, to provide retirement benefits for substantially all employees of the Authority. The System is subject to M.G.L. Chapter 32 ("Chapter 32"), which sets forth the statutory framework for the provision of pensions and other retirement benefits to Massachusetts public employees, their survivors and other beneficiaries. Section 22 of Chapter 465 of the Acts of 1956 (Sections 1-22 of the Appendix to Chapter 91 of the General Laws) provides the framework for funding these benefits. Currently, the System's membership consists of approximately 1080 active members and 185 inactive members. There are approximately 400 retirees and beneficiaries receiving benefits, and approximately 50 former employees entitled to benefits but not yet receiving them. While it is difficult to predict the number of retirement applications on a year-to-year basis, in the past, the

System has received approximately 4-8 applications for disability pensions per year, which typically require substantial investigation and administrative proceedings.

The System is administered by a five member Board pursuant to Section 20 (4 7/8) of Chapter 32. Pursuant to Section 20 (4 7/8)(e) of Chapter 32, the Chief Legal Counsel of the Authority is the legal advisor of the Retirement Board of the System. The Retirement Counsel will provide services directly to the Retirement Board, subject to the general oversight and direction of the Authority's Chief Legal Counsel or his designee, and advise the Chief Legal Counsel or his designee on all matters necessary and appropriate to assist him in carrying out his statutory duties pursuant to Chapter 32.

II. SCOPE OF SERVICES

Set forth below is the description of the legal services to be provided by Retirement Counsel to the Authority. This description is not intended to be comprehensive but is intended to provide general guidance as to the scope of services that Retirement Counsel will be expected to provide. Proposers are advised that the scope of services will be considered to include, in addition to the services described below, all of those services understood by knowledgeable counsel to be reasonably necessary to satisfy the duties of such counsel. A Proposer may elect to submit a proposal with regard to a logical subset of said services. For example, a proposal may include only those services relating to the administration of benefits, and exclude those services relating to the investment activities of the Board, and *vice versa*. Likewise, the Authority may elect to retain a particular attorney or firm with regard to part of the services, but not all.

Retirement Counsel will be expected to keep abreast of and provide on-going advice and counsel with respect to matters bearing upon the administration of the Retirement System and for which the attorney has been retained, and shall represent the System in all matters involving administrative or judicial proceedings before administrative bodies or Courts in the Commonwealth relating thereto. Retirement Counsel will be expected to prepare, on an as-needed basis, vendor contracts relating to the administration of the Retirement System and the management of its funds; memoranda of advice on legal issues relating to administration of the System; administrative findings and conclusions as appropriate with regard to matters coming before the Retirement Board; and such other related materials as may be requested from time to time by the Retirement Board or the Chief Legal Counsel.

Specific Requirements:

Under the direction of the Authority's Chief Legal Counsel or his designee, Retirement Counsel shall:

- a. Attend all Retirement Board meetings, which are typically held monthly, and provide such advice and assistance as may be needed.

b. Prepare and/or review Requests for Proposals, vendor contracts and such other related materials as may be required from time to time in connection with the administration of the System and its funds.

c. Review retirement applications and assist in all proceedings relating to the determination of members' eligibility for benefits.

d. Review administrative records and prepare appropriate findings and rulings for the Retirement Board in connection with all administrative proceedings coming before it.

e. Represent the Retirement Board in all administrative and judicial proceedings in which the Retirement System is involved.

f. Review and give advice concerning legal issues relating to the Retirement System's actuarial studies.

g. Provide ongoing advice and counsel with respect to Chapter 32 and employee benefits matters generally, including review and analysis of proposed legislation, rules or regulations.

h. Prepare or review other documents, instruments and agreements relating to retirement or the Retirement Board's investment activities, as requested.

i. As requested by the Authority, provide legal advice as needed with respect to matters relating to the Retirement System and its activities.

j. Review and give advice concerning potential claims relating to the Retirement System's investment activities.

III. SELECTION PROCESS

Each Proposer that would like to be considered must send one (1) original and (6) copies of its written response meeting the requirements of this RFP to:

Michael A. Grieco
Assistant Secretary-Treasurer
Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128

All responses to this RFP must be received by the Authority prior to 3:00 p.m., Boston time, on July 8, 2003, and should be marked "Response to Request For Proposals: Legal Services - Retirement Counsel." All responses to this Request for Proposals must be accompanied by a "Proposal Acknowledgment Form" in the form of **Attachment A**, and must be signed by an authorized signatory of the proposer's firm. The name, address, and telephone number of a

single individual within the firm who will be Massport's primary contact concerning the proposal must be included. In addition, all responses must include a Statement Regarding Doing Business in or with Northern Ireland, as required by **Attachment B**. Responses received after 3:00 p.m. on July 8, 2003, will be deemed non-responsive and will not be considered. Responses submitted by telecopier will not be considered.

Any questions regarding this RFP should be submitted in writing (by telecopier, e-mail or other means of delivery) no later than 10:00 a.m., June 26, 2003, to:

Karen L. Nober, Esq.
Deputy Chief Legal Counsel
Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128
Telecopier 617-568-3161
e-mail: knober@massport.com

Massport will circulate as an addendum to this RFP all questions received prior to such deadline and a written response to each question by June 30, 2003, to all attorneys and firms which have requested this RFP. As of June 20, 2003, any contact, direct or indirect, by a proposer or its employees, agents or consultants with any Massport board member, officer or employee, other than Ms. Nober, regarding this Request for Proposals is prohibited. A violation of this prohibition may result in the rejection of the proposal.

Following receipt and evaluation of the responses to this RFP, the Authority expects to invite finalists for oral interviews, which are expected to be scheduled during the week of July 14, 2003. The final selection of Retirement Counsel to the Authority is expected to be announced shortly thereafter.

IV. SELECTION CRITERIA

Massport expects to select one or more attorneys or law firms as Retirement Counsel pursuant to the criteria described below, based upon review of the responses to this RFP and oral interviews of attorneys and/or firms selected as a result of such review. Although cost will be a factor in selecting the firms to provide Retirement Counsel services, Massport will not select an attorney or firm solely on the basis of the lowest cost proposed. Massport will select the attorney(s) or firm(s) it determines is best qualified to provide the necessary services.

In applying the criteria set forth below, Massport will place emphasis on the experience and ability of the particular attorney(s) designated to provide the legal services, rather than the law firm as a whole. In accordance with the Authority's affirmative action policy, minority business enterprises and women's business enterprises, as certified by the Massachusetts State Office of Minority and Women Business Assistance ("SOMWBA"), will be given appropriate consideration in the selection process, and firms not meeting these definitions under Massachusetts law will be given appropriate consideration for their assignment of minorities and

women to provide the requested legal services. The criteria set forth below (which are not listed in order of importance) will be considered in the selection process.

1. Experience and Past Performance. The Proposer's prior applicable experience and performance in advising clients with regard to retirement matters, including in particular retirement matters governed by Chapter 32, and institutional investment matters.
2. Knowledge and Experience in Related Fields. The Proposer's knowledge and experience with respect to employee benefits and securities law generally.
3. Qualifications of Key Personnel. The capability, experience and qualifications of key personnel; the availability and commitment to Massport of such personnel and their continuity with the firm; the ability of such personnel to complete time sensitive transactions.
4. Understanding of Public Authorities. The knowledge and familiarity of the Proposer with respect to independent public authorities.
5. Cost. Appropriateness and competitiveness of the cost proposal.
6. Diversity. The Proposer's commitment to equal employment opportunity.

V. FORMAT OF RESPONSE

1. Mandatory Proposal Acknowledgment Form

Each response to this RFP must be accompanied by a Proposal Acknowledgment Form in the form of **Attachment A**, which shall be considered an integral part of the submission, and shall be signed by an individual who is authorized to bind the Proposer contractually, giving his or her title. Responses not containing a Proposal Acknowledgment Form in accordance with this paragraph will be rejected.

2. Proposal Format and Preparation Costs

Each response should be prepared simply and should provide a straight-forward, concise description of the Proposer's abilities to satisfy the requirements of this RFP. In responding to this RFP, Proposers should bear in mind the criteria set forth in Section IV above. Emphasis in preparation should be placed on completeness and clarity of content. All responses shall be limited to fifteen (15) pages in length (excluding the responses to Attachments A and B to this RFP, and any exhibit or appendix submitted in response to Section V.3.A1 or Section V.3.A5 below), in Times New Roman font, 12 point. Massport encourages brevity and attention to the issues raised herein and discourages reliance on general marketing information concerning the firm. Failure to adhere to these guidelines may cause the proposal to be deemed non-responsive and rejected. Costs for developing the responses are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the Authority.

3. General Information Regarding the Proposer

A1. If applicable, please provide a general background of your firm, its history, significant changes in its make-up over the last two years, and its range of business. Describe the organization of your firm's practice areas. Please provide a detailed listing, which may be presented in tabular form as an exhibit or appendix to your submission, of the number of attorneys (by partners, associates, counsel and other categories) and paralegals in each of the major practice areas of your firm. Please provide a detailed discussion of the municipal/public law practice of your firm and its importance within the firm. For sole practitioners, please provide your resume and any other relevant information relating to your background and areas of expertise.

A2. Please provide details if you or your firm intends to use the services of other firms or attorneys in connection with provision of services as the Authority's Retirement Counsel, including the nature of such arrangements. Provide the names and brief resumes of any such associated parties.

A3. Please provide details as to the nature (including coverage limitations) and amounts of your or your firm's professional liability insurance.

A4. Please provide details of any criminal investigation or material litigation against you, your firm or members of your firm which is either pending or which has been completed since January, 2000.

A5. Please provide a detailed copy of your firm's equal employment opportunity and affirmative action policy, as well as your policy related to the pro bono activities of your attorneys. Please note that the selected Proposer must comply with the Authority's Non-Discrimination and Affirmative Action Policy, attached as **Attachment C**.

A6. Please describe any potential conflicts of interest which may exist or are likely to arise should you or your firm be selected to represent the Authority as its Retirement Counsel. In addition, given the fact that conflicts of interest typically arise during the course of most continuous legal representation, please describe how you or your firm would handle a request to represent a party whose interest may be in conflict with the interest of the Authority or the Retirement System. Specifically, in your practice, do you represent or have you represented: (a) any public employees in proceedings before or against retirement boards governed by Chapter 32 of the General Laws or by similar statutes; or (b) any vendors who provide or are proposing to provide services to retirement boards governed by Chapter 32 or by similar statutes. If so, please comment on whether such representation may give rise to potential conflicts with the Massport Retirement Board.

A7. As a Massachusetts state authority, Massport must comply with the provisions of M.G.L. c. 7, §§22C-F. Accordingly, please complete the statement regarding doing business in Northern Ireland included with this RFP as **Attachment B** and include such response as an exhibit to your submission.

4. Specific Retirement Counsel Information

B1. Please discuss your firm's proposed professional staffing for this engagement, if selected, providing a brief resume for each such professional, and the particular responsibilities of each such professional with respect to this matter. The naming of such persons shall be considered to be a commitment by the firm to assign those individuals to provide legal services to the Authority if the firm is the successful proposer. Please indicate the number of minorities or women that are included within your proposed professional staffing for this engagement.

B2. Please describe up to five other engagements since January 1, 2000, most relevant to this RFP in which one or more of the professionals named in response to question B1 above had principal responsibility. In this regard, please provide the client's name, client contact and telephone number.

B3. Please describe the specific steps you or your firm will take to be continually apprised of all developments within or related to the Retirement System or the Authority which directly bear on the services to be performed pursuant to this RFP.

B4. Please provide your views as to any current public retirement system practices or procedures of which you are aware and describe any specific changes to such practices or procedures which you recommend.

B5. Please provide the names, addresses and telephone numbers of no less than three and no more than five references for whom you or your firm has provided relevant legal services in the last three years.

5. Compensation Proposals

Massport utilizes a retention order system in order to rationalize the use of outside legal services. Please review Massport's Outside Legal Services Retention and Billing Policy, which is attached hereto as **Attachment D**. Following your review of this memorandum, please complete an estimated retention order (in the form attached to the Retention and Billing Policy as **Exhibit A** to that Policy) for the first year of your firm's involvement as Retirement Counsel. State the estimated cost of providing the services described above. Describe what factors might cause your estimate to change significantly. Such response should include all fees, charges, reimbursements, and costs for which the firm would seek payment or reimbursement by Massport. Massport encourages the use of alternative billing methods other than hourly rates, such as an annual fee. All fee schedules shall contain a certification by the Proposer that they reflect the best rate offered by the firm for providing legal services to governmental entities, and such fee schedules shall remain fixed and in effect for a period of at least three (3) years from the date of the firm's selection to provide legal services to the Authority.

VI. OWNERSHIP AND USE OF RESPONSES

All responses to this RFP shall become the property of the Authority. Information submitted to Massport may be subject to disclosure under M.G.L. c. 4, § 7 (26) and M.G.L. c. 66, the state public records statutes. In particular, trade secrets, or commercial or professional information submitted to Massport as a condition of being engaged as Retirement Counsel may be subject to disclosure. Any proposal or other material received by Massport may be considered a public record after the selection by Massport of its Retirement Counsel and will be available for inspection and copying by any person at that time. It is understood that Massport will have no liability for disclosure of information provided in any proposal or related attachments.

The Authority reserves the right to use any or all ideas or concepts presented in any response submitted in response to the RFP, whether accepted or not. Selection or rejection of the response shall not affect this right.

Copies of all responses and support material will be retained by the Authority for historical records and documentation.

VII. ACCEPTANCE OF RESPONSES

It is the intent of the Authority to engage the services of one or more attorneys or law firms on the basis of the responses to this RFP. However, the Authority reserves the right, at its sole discretion, to accept or reject any or all responses received as a result of this request, to negotiate with any qualified source, or to cancel in part or in its entirety this Request for Proposals. The Authority may request additional information from the proposers during the course of the selection process.

The successful proponent(s) selected as Retirement Counsel will be expected to execute a retention order for the first year of services acceptable to the Authority substantially incorporating the Scope of Services, as described herein. If you believe that modification of the stated Scope of Services is necessary or appropriate, or if you take exception to any portion of this RFP, you must so indicate at the time of submission. Otherwise, it will be assumed that the terms of the Scope of Services are acceptable to you or your firm.

By submitting a response to this RFP, including the required Proposal Acknowledgment Form, the proposer agrees to act as the Authority's Retirement Counsel, as described herein, if selected.

Massport is soliciting proposals pursuant to a determination that such a process best serves the interest of Massport, and not because of any legal requirement to do so. Massport reserves the right to accept any proposal, to modify or amend, with the consent of the proponent, any proposal prior to acceptance, to reject any or all proposals, or waive any informality and otherwise to effect any agreement as Massport, in its sole judgment, may deem to be in its best interest. Massport reserves the right to award contracts based on the proposal submitted or to negotiate with proposers for modification of successful proposals.

At the Authority's discretion, these services may be terminated at any time with no further obligation in the Authority's part or expense to the Authority beyond compensation for services already performed.

Massport shall not be obligated to respond to any proposal submitted, nor shall any correspondence, discussions, meetings or other communications between any proposer and Massport impose any obligation on Massport to include such proposer in any further procedures in Massport's evaluation and selection process.

Massport reserves the right to revise the proposal award schedule and to withdraw its RFP at any time. In such event, Massport shall not be liable to any proposer for costs or expenses incurred by them in preparation of this proposal.

No proposal may be withdrawn after it has been submitted to and received by Massport unless the proposer so requests by letter or by telegram and such request is received by Massport before the deadline set for the submission of proposals.

Neither the members of Massport nor any individual member, nor any officer, agent, or employee of Massport shall be charged personally by the proposer or any third party with any liability or held liable to it under any term or provision of this RFP or any statements made herein.

VIII. AWARD NOTIFICATION TO UNSUCCESSFUL PROPOSERS

All unsuccessful proposers will be notified after the award. Non-acceptance of any response will be devoid of criticism and of any implication that the response was deficient. Non-acceptance of any response will mean only that another was deemed to be more advantageous to the Authority.

Enclosures and Attachments:

- Attachment A: Proposal Acknowledgment Form**
- Attachment B: Statement of Doing Business in or with Northern Ireland**
- Attachment C: Non-Discrimination and Affirmative Action**
- Attachment D: Outside Legal Services Retention and Billing Policy and Legal Services Retention Application (Exhibit A)**

ATTACHMENT A

MASSACHUSETTS PORT AUTHORITY

**LEGAL SERVICES: RETIREMENT COUNSEL
PROPOSAL ACKNOWLEDGMENT FORM**

To: Massachusetts Port Authority
Logan Office Center
One Harborside Drive, Suite 200S
East Boston, MA 02128

Attn: Karen L. Nober, Esq.
Deputy Chief Legal Counsel

(Name of Proposer) _____, acknowledges receipt of the Massachusetts Port Authority's Request for Proposals: Legal Services: Counsel to Retirement Board, dated June 20, 2003, and the conditions attached hereto, and hereby submits the following proposal in response thereto.

ACKNOWLEDGMENT AND CONDITIONS

1. Proposer acknowledges that it has received and read the Request for Proposal and any Addendum issued thereto.
2. This proposal constitutes a firm offer and the fee schedule included will remain in effect for at least three (3) years.
3. The Authority is soliciting competitive proposals pursuant to a determination that such a process best serves the interests of the Authority and the public, and not because of any legal requirements to do so. Proposer acknowledges that it is the Authority's right to accept any proposal, or to reject any or all proposals, to modify or amend with the consent of the bidder any proposal prior to acceptance, to withdraw at any time from this process with no recourse for any proposer, to undertake discussions and modifications with one or more proposers or any third party, and to proceed with that proposal or a modified proposal, to waive any informality and to effect any agreement otherwise, all as the Authority in its sole judgment may deem to be in its best interest. In no event shall the Authority be liable to any proposer for bid preparation costs and expenses.
4. By submission of its response to this Request for Proposals, the proposer authorizes the Authority to contact any and all third parties having knowledge of proposer's operations and professional history, and authorizes all such parties to communicate such knowledge or

ATTACHMENT A
PROPOSAL ACKNOWLEDGMENT FORM
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information to the Authority; provided, that such authorization shall not waive the applicability of the attorney-client privilege to any such information.

5. The proposer has relied only upon the contents of this Request for Proposals and in any written clarifications issued by the Authority in the preparation and submittal of this proposal.

6. Proposer acknowledges that at any time and from time to time after the receipt by Massport of responses to this RFP, Massport may give written notice to the proposer to furnish additional information relating to its proposal and may give written notice to the proposer to meet with designated representatives of Massport with respect to its proposal. Neither the furnishing of the RFP to the proposer, nor the submission of any materials, documents, or other information by the proposer, nor the acceptance thereof by Massport, nor any correspondence, discussions, meetings or other communications shall be construed or interpreted by the proposer to mean that Massport has made a determination that the proposer shall be selected as Retirement Counsel, nor deemed to impose any obligations whatsoever on Massport to compensate or reimburse the proposer for any costs or expenses incurred in connection with its response to this RFP.

7. Massport will seek to hold all RFP's and subsequent submissions in confidence, to the extent consistent with applicable law, until a final decision has been made or the selection process is terminated. Proposer acknowledges, however, that pursuant to M.G.L. c. 66, all materials received by Massport which fall within the definition of "public record" as set forth in M.G.L. c. 4, section 7, cl. (26), shall be disclosed by Massport on request.

8. Proposer hereby certifies that:

(a) all of the information contained in the submission is accurate and complete insofar as information which might affect the submission adversely;

(b) its engagement will not result in the form of multiple employment or representation of differing interests prohibited by Disciplinary Rule 5-105 under Rule 3:07 of the Massachusetts Supreme Judicial Court Rules; and

(c) the response was prepared solely by the firm and, prior to the time at which all matters regarding selection and compensation are determined, it will not be discussed with any individual outside of the firm, other than as specifically contemplated by this RFP.

ATTACHMENT A
PROPOSAL ACKNOWLEDGMENT FORM
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Submitted upon all terms and conditions of the Request for Proposals for Legal Services:
Counsel to Retirement Board, dated June 20, 2003, and attachments thereto hereby
acknowledged and agreed to:

Name of Proposer

By:_____

ATTACHMENT B

MASSACHUSETTS PORT AUTHORITY

**STATEMENT OF DOING BUSINESS
IN OR WITH NORTHERN IRELAND**

This procurement is subject to M.G.L. c. 7 §§ 22C-F which provides that a state authority may not procure goods or services from any person employing ten or more employees in an office or other facility located in Northern Ireland, who fails to certify that: (a) he does not discriminate in employment, compensation, or terms, conditions and privileges of employment on account of religious or political belief; and (b) he promotes religious tolerance within the work place, and the eradication of any manifestations of religious and other illegal discrimination; and (c) the certifying person is not engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles or military aircraft for use or deployment in any activity in Northern Ireland. The provisions herein shall not apply if (x) the procurement is essential, as determined by the Authority, and compliance would eliminate the only proposal, or would result in inadequate competition; or (y) there is no comparable proposal or offer (i.e., within 10%) by a certifying proposer; or (z) the proposer does not employ ten or more employees in an office or other facility located in Northern Ireland.

The undersigned, being an authorized representative of the proposer, hereby states and certifies that:

(Check one)

- 1.) _____ The proposer does not employ ten or more employees in an office or other facility located in Northern Ireland.

- 2.) _____ The proposer does employ ten or more employees in an office or other facility located in Northern Ireland and certifies that:
 - A) the proposer does not discriminate in employment, compensation, or the terms, conditions and privileges of employment on account of religious or political belief, and
 - B) the proposer promotes religious tolerance within the work place and the eradication of any manifestations of religious and other illegal discrimination, and
 - C) the proposer confirms that it is not engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles or military aircraft for use or deployment in any activity in Northern Ireland.

ATTACHMENT B
STATEMENT OF DOING BUSINESS IN OR WITH NORTHERN IRELAND
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3.) _____ The proposer does not certify to 2 A-C above.

Signed under pains and penalties of perjury this _____ day of _____, 2003.

By: _____

(Print Name)

(Name of Firm)

**ATTACHMENT C
MASSACHUSETTS PORT AUTHORITY**

NON-DISCRIMINATION AND AFFIRMATIVE ACTION

In accordance with policies adopted by the Massachusetts Port Authority, the Retirement Counsel further agrees to comply with the following:

1.1. Retirement Counsel shall not discriminate by segregation or otherwise against any person, employee or applicant for employment because of race, color, creed, national origin, age, sex, sexual orientation, handicap or Vietnam era veteran status, or membership in any legally protected class, and shall undertake affirmative action measures designed to guarantee and effectuate equal employment opportunity for all persons.

1.2. Retirement Counsel will provide all information and reports pertinent to the Authority's Equal Employment, Anti-Discrimination and Affirmative Action requirements requested by the Authority and will permit access to its facilities and any books, records, accounts or other sources of information which may be determined by the Authority to affect Retirement Counsel's obligation herein.

1.3. Retirement Counsel shall comply with all federal and state laws and Authority regulations pertaining to Civil Rights and Equal Opportunity, including executive orders and rules and regulations of appropriate federal and state agencies unless otherwise exempt therein.

1.4. Retirement Counsel's non-compliance with any provision of this Attachment C shall constitute a material breach, for which the Authority may, in its discretion, upon failure to cure said breach within thirty (30) days of written notice thereof, terminate this engagement upon ten (10) days written notice.

1.5. Retirement Counsel shall indemnify and hold harmless the Authority from any claims and demands of third persons resulting from Retirement Counsel's non-compliance with any of the provisions of this Attachment C and in case of termination or cancellation of this engagement pursuant to Paragraph 1.4 of this Attachment C, Retirement Counsel shall indemnify the Authority against any loss or damage suffered by reason of such termination.

ATTACHMENT D

MASSACHUSETTS PORT AUTHORITY

OUTSIDE LEGAL SERVICES RETENTION AND BILLING POLICY

Effective as of January 14, 1994
(Amended as of January 1, 2002)

A. Retention of Outside Counsel

The policy set forth herein and in the attachments hereto represents the Massachusetts Port Authority (“Massport”) policy with respect to the retention of outside counsel to provide legal services. No law firm is authorized to perform legal services for Massport without approval of such firm's retention through approval of a Retention Order in accordance with this Policy. Each matter requires a separate Retention Order.

Selection Process

The Chief Legal Counsel, in consultation with the Executive Director and the Massport attorney to whom such matter has been assigned (the “Responsible Massport Attorney”) may in appropriate circumstances determine that it is necessary to retain outside counsel. In such circumstances, the Chief Legal Counsel, in consultation with the Executive Director and the Responsible Massport Attorney, will select counsel based on a number of factors, including but not limited to relevant expertise and experience, and the ability to deliver legal services in a timely, efficient and cost-effective manner. The Chief Legal Counsel may, depending on the nature and complexity of the matter at hand, invite an appropriate number of firms to submit proposals for legal services.

Choice of outside counsel depends largely on the qualifications of individual lawyers, not law firms. Because Massport expects its outside counsel to deliver legal services in a cost-effective manner, Massport understands that lawyers retained by Massport may often propose to involve other lawyers in their firm in Massport work. Such proposals must be made to the Responsible Massport Attorney. Massport will pay only for the services provided by lawyers whom it has specifically approved.

Massport is strongly committed to the goal of diversity in the workplace, and highly values the perspectives and varied experiences which are found only in a diverse workplace. Massport also believes that promoting diversity is important to the success of its overall mission. Accordingly, Massport expects the law firms which represent it to work actively to ensure non-discrimination and promote diversity within their workplace. Among the factors relevant to its selection of outside counsel, Massport will consider a firm’s commitment in this area and specifically encourages firms to propose staffing for Massport matters which reflects that commitment. To assist Massport, law firms should feel free to provide evidence of their policies and practices relating to diversity.

In all circumstances, the Responsible Massport Attorney is responsible for management or oversight of the work of outside counsel. Massport engages outside counsel only through its Chief Legal Counsel. No other individual or office at Massport is authorized to retain counsel. Moreover, to the extent possible and unless otherwise directed, all contact with Massport initiated by outside counsel in connection with an assigned matter shall be with the Responsible Massport Attorney.

Before outside counsel is selected, the individual or law firm shall indicate the attorneys that will be performing the services, the billing rates of those attorneys,* a breakdown of which attorneys will be performing what specific tasks and a description of such attorneys' professional qualifications (including resumes if readily available), and shall provide the Chief Legal Counsel with a completed Retention Order Application ("Application") in the form attached hereto as Exhibit A.

Retention Order Application and Process

The law firm shall complete the Application in accordance with the instructions attached thereto, and forward the completed Application to the office of the Chief Legal Counsel where it shall be reviewed and -- if acceptable -- approved and assigned a Retention Order number. Copies of the approved Application will be distributed to the law firm and the Responsible Massport Attorney.

Except in unusual circumstances approved by the Chief Legal Counsel or his or her designee, the Retention Order process shall be completed prior to the performance of any legal services. In accordance with the billing policy discussed below, Massport will not pay for any legal services on any matter until an Application for such matter has been completed and approved. Any work performed by the law firm without having completed an Application for said work and received Massport's approval of said Application shall be considered to have been performed at the sole risk of the law firm and Massport shall have no obligation to pay for said work.

Unless otherwise agreed by Massport, the Applications are to be submitted for approval on a quarterly basis,** and are intended to reflect the best estimate of the law firm of the legal services to be performed, the particular legal staff in the law firm who will be performing the legal services, and the legal fees to be charged for such matter during such time period.*** If for any reason the amount of the fee estimate included in any Retention Order needs to be revised or there will be a significant change in the legal services to be performed or the legal staff assigned, then an amendment to such application may be submitted by the law firm, provided that, no amendment shall be effective until it has been signed and approved by the Chief Legal Counsel or his or her designee. In accordance with the billing policy below, Massport shall not pay any fees for (a) legal services in excess of the estimated fee for services stated in the applicable approved Retention Order or approved amendment thereto, (b) legal services significantly different from those described in the applicable approved Retention Order or

*If outside counsel has special billing rates for governmental clients which are less than those charged to such counsel's other clients, this should be clearly indicated. Massport expects to receive the benefit of any such reduced "government rates". Outside counsel are also encouraged to propose fee arrangements that differ from the traditional per hour fee process.

**The Chief Legal Counsel, in consultation with the Responsible Massport Attorney and outside counsel, shall determine whether another time period would be more appropriate.

***The best estimate of the law firm is expected to be based on an understanding of the nature of the matter (either as a result of initial discussions with the Responsible Massport Attorney or, in the case of an ongoing matter, the law firm's familiarity with such matter), the experience of the law firm with similar types of matters and any other factors the law firm deems necessary to estimate as accurately as possible the extent of and charges for the anticipated legal services.

approved amendment thereto or (c) legal services provided by legal staff not described in the applicable approved Retention Order or approved amendment thereto.

B. Billing Policy

The policy set forth herein and in the attachments hereto represents Massport's policy with respect to billing for outside legal services. All bills are to be prepared in accordance with this policy and are to be submitted at the times set forth herein.

Unless otherwise agreed by Massport, bills for outside legal services shall be sent to Massport's Chief Legal Counsel (*mailed to the attention of Marguerite Imperato, Legal Manager*) no more than thirty (30) days after the end of the month in which the services covered by such bill were performed. Such bill will be reviewed by the Chief Legal Counsel or his or her designee and the Responsible Massport Attorney for appropriateness of the legal services and costs. If such review is satisfactory and such bill is:

- (i) within the estimated cost set forth in the applicable approved Retention Order,
- (ii) in proper form, and
- (iii) in compliance with the provisions of Massport's Outside Legal Services Retention and Billing Policy,

then such bill will be forwarded to the Legal Manager for authorization to pay. Normally, such bills will be paid within thirty (30) days after receipt.

Form of Bill

Each bill submitted by an outside law firm shall contain the following information.

1. The amount being charged broken down by legal services, disbursements and time period covered by bill, and the corresponding Retention Order estimates. [NOTE: Massport will not pay for any amount in excess of the amounts set forth in the applicable approved Retention Order.]
2. Applicable Retention Order number and Employer Identification Number of the law firm.
3. Dates on which services are performed. [NOTE: Each date should be listed separately.]
4. The first initial and last name of each attorney, legal assistant or other professional involved in the matter and their respective hourly billing rates. [NOTE: Such attorneys and other professionals should be those persons identified on the applicable approved Retention Order.]
5. The number of hours or fraction thereof (recorded in segments of 1/10th of an hour) worked by each such person.
6. Specific description of the legal services rendered on each day broken down by person.

7. Disbursements listed by type.

Nonbillable Time and Disbursements

Massport will not pay for the following items without the prior approval of the Chief Legal Counsel or his or her designee: (a) travel time (in state or out of state); (b) travel costs including, without limitation, taxicab fares, parking fees, public transportation fares, and automobile related charges; (c) routine telecopy costs; (d) routine document reproduction costs; (e) telephone charges; (f) ordinary postage and delivery costs; (g) accounting, bill preparation, word processing, document production, proofreading or training; (h) clerical or paralegal overtime; (i) obtaining law books, publications or periodicals; (j) costs of food and beverages; (k) on-line research charges; and (l) other similar types of charges that would normally be considered to be an overhead item. Massport recognizes that in unusual circumstances it may be appropriate to pay for certain of the aforementioned costs provided that any such costs are approved in advance by the Chief Legal Counsel or his or her designee.

Cost Effective Allocation of Resources

Massport expects that outside counsel will manage the matter assigned in the most cost effective manner appropriate in the circumstances and in close consultation with the Responsible Massport Attorney, and will avoid unnecessary internal consultation and review, utilization of inexperienced personnel and duplication of effort.

Application of Policy to Bills

The Responsible Massport Attorney shall notify outside counsel of any problem with any of its bills, and such outside counsel shall be given the opportunity to correct such problem. However, Massport reserves the right not to pay any bill or portion thereof which is not in compliance with this policy.

C. Conflicts Certification

By signing an Application, the law firm certifies that it has completed a diligent and thorough review of its records and has determined that no actual or potential conflict of interest exists as between Massport and any of the law firm's current or past clients that would interfere with its full unrestricted representation of Massport in the matter described in the Application. If such an actual or potential conflict of interest is later identified, the firm shall notify Massport of such conflict or potential conflict immediately.

The adverse impacts of an actual or potential conflict of interest are difficult to ascertain and the resulting damages to Massport are difficult to quantify. In the event that the law firm or Massport later identifies a conflict of interest that was not previously disclosed, Massport may require that all or a portion of the fees paid in connection with this matter be refunded to Massport and the law firm shall promptly pay Massport the required amount. Massport also expects that, as a matter of course, the law firm will, without cost to Massport, do whatever may be reasonably requested by Massport to ensure a timely and orderly transition of representation from the law firm to such replacement counsel as may be designated by Massport.

D. Work Product

Except as otherwise directed by the Responsible Massport Attorney, the law firm shall provide Massport with copies of all memoranda, briefs, opinions, legal research and any other documents produced in connection with a matter for which the law firm has been retained by Massport. In the event any work product is not provided to Massport by the law firm and is later requested by Massport, the law firm shall provide Massport with said work product at no cost to Massport regardless of whether said work product must be duplicated or reproduced by the law firm.

E. General

Please note that, in addition to this policy statement, Massport's policy with respect to outside legal services and billing also includes the policies set forth in the Application, a copy of which is attached hereto and incorporated by reference.

By submitting an invoice for legal services to Massport, an outside law firm will be deemed to have understood and agreed to this policy.

The Chief Legal Counsel reserves the right to review and amend this policy in the future, and any amendments will be promptly distributed to outside counsel providing legal services to Massport.

EXHIBIT A

RO# _____

**MASSACHUSETTS PORT AUTHORITY
LEGAL SERVICES RETENTION ORDER APPLICATION**

DATED: _____, 200__

TIME PERIOD:

(a) Quarter: First Second Third Fourth (please circle)

From _____ To _____

[Insert other period agreed to by Massport] _____

(b) Amendment to Existing Retention Order [yes or no]: _____

1. MATTER NAME OR DESCRIPTION: _____

2. Responsible Massport Attorney: _____

3. Name of Outside Law Firm: _____

4. Name of Responsible Law Firm Attorney: _____

5. Please provide: (a) a general description of the work to be performed during the designated time period and the expected results and/or deliverables; (b) unless otherwise agreed by Massport, a budget for the Retention Order period which includes a detailed listing of the specific tasks anticipated to be performed during this period, the attorney(s) or paralegal(s) who will be performing them, the estimated amount of time that will be required to perform each task by each individual and the billing rate of each person performing the task*, and (c) if this is the first Retention Order billed by outside counsel or if new persons are being proposed to perform the work, please attach a description of the qualifications of the persons who will be performing the legal services. [Please attach additional sheets.]

*The Chief Legal Counsel or his or her designee may determine that in certain circumstances a budget is not required. Generally, only those legal services which are of a

"general advice" or "on-call" nature will be excluded from the budget requirement. Outside counsel may, however, build into the budget a category for unanticipated legal services. The preparation of the budget will require close consultation with the Responsible Massport Attorney.

6. PAYOR:

_____ Massport _____ Other [Please explain on additional sheet.]

7. ESTIMATES FOR TIME PERIOD:

Services [\$ _____] Disbs [\$ _____] Total [\$ _____]

Hours [_____]

8. The above-named Outside Law Firm hereby approves this Retention Order Application, and agrees to comply with the Massport Outside Legal Services Retention and Billing Policy, dated as of January 1, 1994, as amended through the date hereof.

Signature of Responsible Law Firm Attorney: _____

Please send completed Application Form to Chief Legal Counsel, Massport Legal Department, One Harborside Drive, Suite 200S, East Boston, MA 02128, Attention: Marguerite Imperato, Legal Manager.

Massport Authorized Approval: _____
David S. Mackey, Chief Legal Counsel

Signature of Responsible Massport Attorney: _____
Name: