

5.0 CONTRACT TERMS AND CONDITIONS

These Contract Terms and Conditions are part of the final contract in each product and/or service contract awarded as a result of this RFP and are part of the terms and conditions of each Purchase Order and/or Job Order or proposal forms issued in connection with this RFP. Vendors are responsible for identifying any exceptions to these terms and conditions. **ANY EXCEPTIONS MUST BE NOTED DIRECTLY BELOW EACH OF THE RESPECTIVE TERMS AND CONDITIONS.** Proposals that are qualified with conditional clauses, items not called for, or other irregularities may be considered non-responsive by HCDE/CPC and eliminated from further consideration.

CONTRACT BETWEEN HARRIS COUNTY DEPARTMENT OF EDUCATION AND

Tri-Lam Roofing & Waterproofing, Inc. ("Vendor")

For Waterproofing/Masonry Restoration, Cleaning and All Other Related Services

This Contract is entered into between HCDE and Vendor, having submitted a proposal in response to RFP # 12/054PB issued by HCDE/CPC and whose proposal has been accepted and awarded by HCDE. In consideration of the mutual covenants and conditions contained in this Contract and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HCDE and Vendor, intending to be legally bound, and subject to the terms, conditions, and provisions of this Contract, agree as follows:

5.1. **Definitions**

The terms used in this Contract shall have the meanings assigned to them in **Section 1.0 Notice of Intent** of the RFP.

5.2. **Use of Contract by HCDE members**

Vendor agrees and understands that this RFP and Contract may be used to accomplish work for HCDE and HCDE members. See TEX. GOV'T. CODE § 2267.407.

5.3. **Contract Terms; Amendment**

The terms and conditions of this Contract shall govern all procurements conducted hereunder. No pre-published terms on Vendor's Purchase Order, acknowledgments, invoices, or other forms shall have any force or effect unless expressly agreed to by the HCDE member and Vendor. No amendment of this Contract shall be permitted unless and until first approved in writing by HCDE and, if necessary, the HCDE member(s), and no such amendment shall have any effect unless and until a written amendment to this Contract is executed by the HCDE Superintendent or his designee after any necessary approvals have been obtained from the HCDE Board of Trustees.

5.4. **Term of Contract; Renewal of Contract**

The initial term of this Contract is for a period of two (2) years, with HCDE having the option to renew the Contract for three (3) additional one-year terms, at HCDE's sole discretion, unless otherwise specified in **Section 6.0 Scope of Proposal**. See TEX. GOV'T. CODE § 2267.409. Consequently, the total term of the Contract may be for a period of five (5) years. The phrase

"Term" in this Contract shall mean the then-current Term of the Contract, whether an initial term or a renewal term.

5.5. Termination of Contract

This Contract shall remain in effect until (1) the Contract expires by its terms or (2) the Contract is terminated by mutual consent of HCDE and Vendor. In the event of a breach or default of the Contract and/or the RFP by Vendor, HCDE reserves the right to enforce the performance of the Contract in any manner prescribed by law or deemed to be in the best interest of HCDE and/or HCDE members. HCDE further reserves the right to terminate the Contract immediately in the event Vendor fails to: (1) meet schedules, deadlines, and/or delivery dates within the time specified in the RFP, this Contract, and/or a Purchase Order or Job Order; (2) make any payments owed; or (3) otherwise perform in accordance with this Contract and/or the RFP. HCDE also reserves the right to terminate the Contract immediately, with written notice to Vendor, if HCDE believes, in its sole discretion that it is in the best interest of HCDE and/or HCDE members to do so.

Vendor agrees that HCDE shall not be liable for damages in the event that HCDE declares Vendor to be in default or breach of this Contract and/or the RFP. Vendor further agrees that upon termination of the Contract for any reason, Vendor shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and/or Vendor.

5.6. Buy America Act; Prevailing Wage Rates

HCDE and HCDE members have a preference for domestic end products for supplies acquired for use in the United States when spending federal funds. Purchases that are made with non-federal funds or grants are excluded from the Buy America Act.

Vendor and all subcontractors of Vendor shall comply with all laws regarding prevailing wage rates, including, but not limited to, TEX. GOV'T. CODE Chapter 2258, applicable to the construction of a public work, and any related federal requirements, including the DAVIS-BACON ACT. In the event TEX. GOV'T. CODE Chapter 2258 applies to a product or service provided by Vendor to HCDE or an HCDE member, Vendor and any subcontractor(s) shall comply with the prevailing wage rates set by HCDE or the HCDE member.

5.7. Change Orders

Pursuant to TEX. EDUC. CODE § 44.0411(a), for HCDE and HCDE members that are Texas school districts, if a change in plans or specifications is necessary after the performance of a Job Order and/or Purchase Order has begun or if it is necessary to decrease or increase the quantity of work to be performed or of materials, equipment, or supplies to be furnished, the HCDE member may approve change orders making the changes. The total Job Order and/or Purchase Order price may not be increased because of the changes unless additional money for increased costs is approved for that purpose from available money or is provided for by the authorization of the issuance of time warrants. The HCDE member may grant general authority to an administrative official to approve the change orders. A Job Order and/or Purchase Order with an original contract price of \$1 million or more may not be increased under TEX. EDUC. CODE § 44.0411(a) by more than 25 percent. If a change order for a Job Order and/or Purchase Order with an original contract price of less than \$1 million increases the contract amount to \$1 million or more, the total

of the subsequent change orders may not increase the revised contract amount by more than 25 percent of the original contract price.

5.8. Compliance with Laws

Vendor shall comply with all applicable federal, state, and local laws, statutes, ordinances, standards, orders, rules, and regulations, including, as applicable, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, prompt payment and licensing laws and regulations, the DAVIS-BACON ACT (40 U.S.C. § 276a / 29 CFR Part 5), the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 / 29 CFR Part 5), the Equal Opportunity Employment requirements (Executive Orders 11246 and 11375 / 41 CFR Chapter 60), Contract Work Hours and Safety Standards Act (40 U.S.C. § 327-330 / 29 CFR Part 5), the McNamara-O'Hara Service Contract Act (41 U.S.C. 351), Section 306 of the Clean Air Act (42 U.S.C. § 1857h, Section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, Environmental Protection Agency regulations (40 CFR Part 15), Administrative Requirements for Grants and Cooperative Contracts to state, local, and federally recognized Indian tribal governments (24 CFR Part 85), mandatory standards and policies contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871), and all applicable requirements and regulations, including those related to reporting, patent rights, copyrights, data rights and those mandated by federal agencies making awards of federal funds to HCDE and/or HCDE members. For the entire duration of this Contract, Vendor and all subcontractors shall maintain all required licenses, certifications, permits, and any other documentation necessary to perform this Contract. All permits will be acquired by Vendor and invoiced to the HCDE member at cost as part of the Purchase Order, unless the permits are provided by the HCDE member. Vendor must comply with all state and local building code requirements unless otherwise specifically provided in the HCDE member's Purchase Order or Job Order, and Vendor must pay all fees and charges for connections to outside services and for use of property outside the project site. The states of individual HCDE members may have regulations and laws that govern payment retention and progress payments for public projects. Vendor is responsible for being acquainted with and complying with each state's requirements. When required or requested by HCDE or an HCDE member, Vendor shall furnish HCDE and/or the HCDE member with satisfactory proof of Vendor's compliance with this provision.

5.9. Confidentiality

Vendor and HCDE agree to secure the confidentiality of all information and records in accordance with applicable federal and state laws, rules, and regulations. Vendor and HCDE/CPC understand that the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, governs the privacy and security of educational records and information and agree to abide by FERPA rules and regulations, as applicable. Vendor also acknowledges that HCDE and numerous HCDE members are subject to the Texas Public Information Act, and Vendor waives any claim against and releases from liability HCDE and HCDE members, their respective officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by Vendor, HCDE, or an HCDE member and determined by HCDE or the HCDE member, the Attorney General of Texas, or a court of law to be subject to disclosure under the Texas Public Information Act.

5.10. Performance and Payment Bonds

Vendor agrees to provide performance bonds and/or payment bonds as required by law, based on the amount or estimated amount of any Purchase Order or Job Order, as applicable, for a public work contract, which is defined as a contract for constructing, altering, or repairing a public building or carrying out or completing any public work. or Job Order, as applicable. TEX. GOV'T. CODE §§ 2253.001(4); 2267.411. Pursuant to TEX. GOV'T. CODE § 2253.021, a performance bond is required if a Job Order or Purchase Order is in excess of \$100,000 for HCDE members that are governmental entities subject to Chapter 2253; a payment bond is required if a Job Order or Purchase Order is in excess of \$25,000 for HCDE members that are governmental entities subject to Chapter 2253 and are not municipalities or a joint board created under Subchapter D, Chapter 22 of the Tex. Transp. Code, and a payment bond is required if a Job Order or Purchase Order is in excess of \$50,000 for HCDE members that are governmental entities subject to Chapter 2253 and are municipalities or a joint board created under Subchapter D, Chapter 22 of the TEX. TRANSP. CODE.

5.11. Title and Risk of Loss

Whenever HCDE or an HCDE member is purchasing (and not leasing) a product under this Contract, title and risk of loss shall pass upon the later of HCDE or the HCDE member's acceptance of the product or payment of the applicable invoice.

5.12. Warranty Conditions

All product(s) and/or service(s) provided by the Vendor under this Contract must be warranted to be free from defects in material, workmanship, and free from such defects in design for a period of one (1) year upon the later of HCDE's or the HCDE member's acceptance of the product and/or service or payment of the applicable invoice. Vendor warrants that all products and/or services furnished under this Contract shall conform in all respects to the terms of this Contract, including any drawings, specifications, and/or standards incorporated herein, including, without limitation, those detailed in the RFP, Purchase Order, and Job Order. In addition, Vendor warrants that products and/or services are suitable for and will perform in accordance with the purposes for which they are intended. Vendor shall assume all liabilities incurred within the scope of consequential damages and incidental expenses, as set forth in the Vendor or manufacturer's warranty, which result from either delivery or use of product, which does not meet the specifications within this Contract, the RFP, Purchase Order, or Job Order.

5.13. Criminal History Review

Section 11.0 Attachment #6–SB 9 Contractor Certification: Contractor Employees and Attachment #7–SB 9 Contractor Certification: Subcontractor Form must be submitted with packet, if applicable.

Prior to commencing any work under the Contract, if Vendor contracts with HCDE to provide services, Vendor must certify, on the form provided herein, that for each covered employee of Vendor who will have direct contact with students, Vendor has obtained, as required by TEX. EDUC. CODE Section 22.0834: (a) state criminal history record information from a law enforcement or criminal justice agency or a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) for each covered employee of Vendor employed before January 1, 2008; and (b) national criminal history record information for each employee of Vendor employed on or after January 1, 2008. Vendor must also

obtain similar certifications of compliance with TEX. EDUC. CODE, Chapter 22 requirements from any subcontractors on the form provided herein. Covered employees with disqualifying criminal history are prohibited from serving at HCDE or at HCDE school district members' locations; Vendor and any subcontracting entity may not permit a covered employee to provide services at a school if the employee has been convicted of a felony or misdemeanor offense that would prevent a person from being employed under TEX. EDUC. CODE § 22.085(a) (i.e., Title 5 felony or an offense requiring registration as a sex offender and victim was under 18 years of age or was enrolled in a public school at the time the offense occurred). The criminal history record information review obligation applies only if Vendor contracts with HCDE to provide services; it does not apply to a contract for the purchase of goods, products or real estate.

5.14. Customer Support

Vendor shall provide timely and accurate technical advice and sales support to HCDE/CPC staff, and HCDE members. Vendor shall respond to requests for customer support within one (1) business day after receipt of the request. Vendor shall provide training to HCDE/CPC staff and/or HCDE members regarding products and/or services supplied by Vendor, at no additional charge, if requested by HCDE/CPC or an HCDE member.

5.15. HCDE and/or HCDE Members' Property

In the event of loss, damage, or destruction of any property owned by or loaned by HCDE or an HCDE member that is caused by Vendor or Vendor's representative, agent, employee, or contractor, Vendor shall indemnify HCDE or the HCDE member and pay to HCDE or the HCDE member the full value of or the full cost of repair or replacement of such property, whichever is greater, within thirty (30) days of Vendor's receipt of written notice of HCDE's or the HCDE member's determination of the amount due. If Vendor fails to make timely payment, HCDE or the HCDE member may obtain such money from Vendor by any means permitted by law, including, without limitation, offset or counterclaim against any money otherwise due to Vendor by HCDE or the HCDE member.

5.16. Tax Exempt Status

HCDE and all HCDE members that are Texas governmental entities or agencies are exempt from payment of Texas State Sales Taxes under TEXAS TAX CODE § 151.310 for the purchase of tangible personal property. Laws of other states govern the tax status of HCDE members in states other than Texas. Vendor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, without limitation, any federal, state, or local income, sales or excise taxes of Vendor or its employees. HCDE/CPC and HCDE members shall not be liable for any taxes resulting from this Contract, except where otherwise required by law.

5.17. Other State Tax Requirements

5.17.1. Payment of Taxes by HCDE Members Outside of Texas – HCDE members outside of Texas will pay only the rate and/or amount of taxes identified in Vendor's proposal submitted in response to the RFP as appropriate to the specific HCDE member.

5.17.2. State and Local Transaction Privilege Taxes – The HCDE member is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to

the sales of products and are the sole responsibility of Vendor, as the seller, to remit. Failure to remit taxes from HCDE/CPC and/or the HCDE member, as the buyer, does not relieve Vendor, as the seller, from its obligation to remit taxes.

5.18. State of Texas Franchise Tax

By submitting a proposal in response to the RFP, Vendor certifies that Vendor is not currently delinquent in Vendor's payment of any franchise taxes or other taxes owed to the State of Texas.

5.19. Tax Responsibilities of Vendor and Indemnification for Taxes

Vendor is responsible for complying with the tax laws of states and the federal government. Vendor and all subcontractor(s) of Vendor shall pay all federal, state, and local taxes applicable to Vendor's operation, any persons employed by Vendor, and all subcontractors of Vendor. Vendor shall require all subcontractors to hold HCDE and the HCDE member harmless from any responsibility for taxes, damages, and interest. If applicable, contributions required under federal, state, and/or local laws and regulations and any other costs, including, but not limited to, transaction privilege taxes, unemployment compensation insurance, Social Security, and Worker's Compensation, shall be the sole responsibility of Vendor.

5.20. IRS W-9

To receive payment under this Contract, Vendor shall have a current I.R.S. W-9 Form on file with the HCDE member.

5.21. Assignment of Contract

Vendor may not assign this Contract or any of its rights, duties or obligations hereunder without the prior written approval of HCDE. Any attempted assignment of this Contract by Vendor shall be null and void. Any Purchase Order or Job Order made as a result of this Contract may not be transferred, assigned, subcontracted, mortgaged, pledged, or otherwise disposed of or encumbered in any way by Vendor without the prior written approval of HCDE and, if applicable, the HCDE member.

5.22. Notification of Material Change

Vendor is required to notify HCDE/CPC when any material change in operations occurs, including changes in distribution rights for awarded products, bankruptcy, material changes in financial condition, change of ownership, and the like, within three (3) business days of such change.

5.23. Performance

Vendor agrees to use commercially reasonable best efforts to provide the product(s) and/or service(s) subject to this Contract. Vendor shall furnish all supervision, labor, tools, equipment, permits, licenses, transportation, insurance, material, and supplies necessary to complete any scope of work, Purchase Order, or Job Order under this Contract. Vendor shall use skilled, trained personnel, who shall be supervised by Vendor.

5.24. Subcontractors

If Vendor uses subcontractors in the performance of any part of this Contract, Vendor shall be fully responsible to HCDE and HCDE members for all acts and omissions of the subcontractors.

Nothing in this Contract shall create for the benefit of any such subcontractor any contractual relationship between HCDE and any such subcontractor, nor shall it create any obligation on the part of HCDE or HCDE members to pay or to see to the payment of any monies due any such subcontractor except as may otherwise be required by law. Vendor represents and warrants that it is willing, able, and capable of obtaining, supervising, and being responsible for any subcontractors who perform and/or provide products and services related to this Contract.

5.25. Non-Appropriation

Renewal of this Contract, if any, will be in accordance with TEX. LOCAL GOV'T. CODE § 271.903 concerning non-appropriation of funds for multi-year contracts. Notwithstanding any other provision of this Contract or obligation imposed on HCDE or any HCDE member by this Contract, HCDE and HCDE members shall have the right to terminate this Contract, any Supplemental Contract, Purchase Order, or Job Order without default or liability to Vendor resulting from such termination, effective as of the expiration of each budget period of HCDE or any HCDE member if it is determined by HCDE or any HCDE member, at their sole discretion, that there are insufficient funds to extend this Contract, any Supplemental Contract, any Purchase Order, or Job Order. The parties agree that this Contract, any Supplemental Contract, any Purchase Order, and Job Order are commitments of the current revenue of HCDE and HCDE members only.

5.26. Ordering Procedures

Purchase Orders are issued by HCDE and/or HCDE members to the Vendor according to this Contract and any Supplemental Contract between HCDE and the HCDE member. HCDE members must send Purchase Orders to CPC, unless otherwise stipulated by HCDE/CPC. HCDE/CPC may request confirmation of receipt of the Purchase Order from Vendor.

HCDE/CPC also may elect to require e-commerce functionality, in which Purchase Orders are sent directly to Vendor and reported by the HCDE member to HCDE/CPC on a specified basis. The e-commerce approach must be approved by HCDE/CPC prior to the start date of any Term of the Contract.

5.27. Invoices; Payments

5.27.1. Vendor shall submit invoices, in duplicate, directly to HCDE or the HCDE member at the appropriate location(s) specified by HCDE or the HCDE member. Each invoice shall include HCDE's or the HCDE member's Purchase Order number and CPC Contract Number. All invoices shall be itemized to include the type of product(s) and/or service(s) rendered. Vendor shall submit invoices within a timely manner during HCDE's or the HCDE member's fiscal year in which the product(s) and/or service(s) are purchased. The shipment tracking number or pertinent information for verification of HCDE's or the HCDE member's receipt shall be made available upon request by HCDE or the HCDE member.

5.27.2. HCDE or the HCDE member will make payments directly to Vendor. HCDE or the HCDE member placing the Purchase Order or Job Order with Vendor shall alone be liable and/or responsible for payment for product(s) and/or service(s) ordered and must be invoiced

directly by Vendor. Neither HCDE nor any HCDE member shall be liable for the indebtedness of any one HCDE member.

5.27.3. TEX. GOV'T. CODE § 2251.021 shall govern when payments are due to the Vendor. Payments are due to Vendor by HCDE and any HCDE member whose governing body meets only once a month or less frequently, **within forty-five (45) days** after the later of the following: (1) the date HCDE/CPC or the HCDE member receives the products and services under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date HCDE/CPC or the HCDE member receives an invoice for the products or service. For HCDE members whose governing bodies meet more than once a month or more often, payments are due by those HCDE members **within thirty (30) days** after the later of the following: (1) the date the HCDE member receives product(s) under the Contract; (2) the date the performance of the service under the Contract is completed; or (3) the date the HCDE member receives an invoice for product(s) or service(s). Vendor agrees to pay any subcontractors the appropriate share of the payment received from HCDE or the HCDE member not later than the **tenth (10th) day** after the date the Vendor receives the payment from HCDE or the HCDE member.

The exceptions to payments made by HCDE, an HCDE member, and/or Vendor listed in TEX. GOV'T. CODE § 2251.002 shall apply to this Contract.

5.28. Reporting

The Vendor shall provide HCDE/CPC with a detailed monthly report showing the total dollar volume of all sales under this Contract for the previous month in Microsoft Excel format, in the format and with the information specified by HCDE/CPC. Reports are due on the **fifteenth (15) day of the month**, after the close of the previous month and shall provide information regarding Purchase Orders and Job Orders during the previous month. Vendor is responsible for collecting and compiling all sales under this Contract from all HCDE members and submitting **one (1)** consolidated monthly report. The monthly report shall include, at a minimum, the date of each Purchase Order or Job Order, Purchase Order or Job Order number, HCDE member name, city/town, and Purchase Order or Job Order total dollar amount. Reports shall be submitted in an electronic format to CPC at 6005 Westview, Houston, Texas 77055, or electronically mailed to joann@choicefacilitypartners.org.

5.29. Pricing Changes

All prices and discount percentages in Vendor's proposal shall be firm for the Term of this Contract. Pricing may be negotiated during the Contract renewal period. Vendor agrees to promptly lower the proportionate price of any product purchased through this Contract following a reduction in the price the Vendor is paying suppliers. All pricing submitted to HCDE in Vendor's proposal shall include the administrative fee to be remitted to HCDE/CPC by Vendor. It is Vendor's responsibility to keep all pricing up-to-date and on file with HCDE/CPC. All price changes shall be presented to HCDE/CPC for acceptance or rejection by HCDE/CPC, in its sole discretion, using the same format as was accepted in Vendor's original proposal; all price changes for products and/or services provided under this Contract must be approved, in writing, by HCDE/CPC prior to taking effect.

The following documentation shall be provided to support a request for a price change:

- justification for change/increase
 - terms and conditions
 - market conditions
 - manufacturers'/distributors' impact, if any
- All price decreases shall be allowed for all products and/or services.

5.30. CPC Administrative Fee

HCDE/CPC will invoice Vendor, on a monthly basis, for the CPC Administrative Fee of **three percent (3%)**. The invoice will be based on total sales made through this Contract. Vendor shall remit payment of the CPC Fee to HCDE/CPC no later than **thirty (30)** days following the end of the month. Failure to pay the CPC Administrative Fee in a timely manner may result in Vendor breaching this Contract and may result in HCDE/CPC suspending or terminating this Contract. Vendor shall honor and pay HCDE/CPC the CPC Administrative Fee for any sales resulting from this Contract that occurred within **thirty (30)** days of the expiration or termination of this Contract.

5.31. Records Retention

Vendor shall maintain its records and accounts in a manner that shall assure a full accounting for all product(s) and/or service(s) provided by the Vendor to HCDE/CPC and/or HCDE members under this Contract. These records and accounts shall be retained by Vendor and made available for review by HCDE/CPC and HCDE members for a period of **not less than three (3) years** from the date of completion of the service(s), receipt of product(s), the date of the receipt by HCDE or the HCDE member of Vendor's final invoice or claim for payment in connection with this Contract, or the date HCDE or the HCDE member makes final payments and closes pending matters in connection with a federal grant, whichever is later. If an audit or a compliance review has been announced, the Vendor shall retain its records and accounts until such audit or compliance review has been completed.

5.32. Right to Review, Audit and Inspect

HCDE/CPC, HCDE members, any federal agency that has awarded federal funds/grant(s) to HCDE or an HCDE member, and the Comptroller General of the United States, and/or any of their authorized representatives, shall, upon written notice, have the right to audit and examine all of Vendor's records and accounts relating to this Contract and inspect any project performed by the Vendor relating to this Contract. Records subject to audit/review shall include, but are not limited to, all Purchase Orders or Job Orders resulting from this Contract and records which may have a bearing on matters of interest to HCDE and/or HCDE member(s) in connection with the Vendor's work for HCDE and/or HCDE members, and shall be open to inspection and subject to audit/review and/or reproduction by HCDE/CPC, HCDE member, and/or their authorized representative(s) to the extent necessary to adequately permit evaluation and verification of:

5.32.1. Vendor's compliance with this Contract and the requirements of the RFP.

5.32.2. Compliance with procurement laws, policies, and procedures, including, without limitation, reviewing/comparing pricing on invoices and the appropriate RS Means unit price book for JOC work performed for HCDE and/or HCDE members.

5.32.3. Compliance with provisions for computing billings to HCDE/CPC and/or to HCDE members.

5.32.4. Any other matter related to this Contract.

5.33. Indemnification

VENDOR SHALL INDEMNIFY AND HOLD HARMLESS HCDE AND EACH HCDE MEMBER, INCLUDING HCDE'S AND HCDE MEMBERS' TRUSTEES, OFFICERS, ADMINISTRATORS, EMPLOYEES, AND AGENTS, FROM ALL CLAIMS, LIABILITIES, COSTS, SUITS OF LAW OR IN EQUITY, EXPENSES, ATTORNEYS' FEES, FINES, PENALTIES OR DAMAGES ARISING FROM ACTS OR OMISSIONS OF VENDOR, VENDOR'S EMPLOYEES, AGENTS, OR SUBCONTRACTORS, IN CONNECTION WITH THIS CONTRACT, INCLUDING WITHOUT LIMITATION, THOSE ARISING FROM CLAIMED INFRINGEMENT OF ANY PATENTS, TRADEMARKS, COPYRIGHT OR OTHER CORRESPONDING RIGHT(S) WHICH IS RELATED TO ANY ITEM VENDOR IS REQUIRED TO DELIVER. VENDOR'S OBLIGATIONS UNDER THIS CLAUSE SHALL SURVIVE ACCEPTANCE AND PAYMENT BY HCDE OR THE HCDE MEMBER.

5.34. Governing Law and Exclusive Venue

The laws of the State of Texas, without regard to its provisions on conflicts of laws, govern this Contract. Any dispute under this Contract involving HCDE must be brought exclusively in the state and federal courts located in Houston, Harris County, Texas, and the parties hereby submit to the exclusive jurisdiction of said courts. Any dispute not involving HCDE but involving an HCDE member and Vendor shall be governed by the laws of the state of the HCDE member, without regard to its provisions on conflicts of laws, and exclusive jurisdiction and venue shall lie in the city, county, and state of the HCDE member.

5.38. Multiple Contract Awards; Non-Exclusivity

In accordance with TEX. GOV'T. CODE § 2267.406, HCDE reserves the right to award multiple contracts under the RFP, including multiple contracts for each product/service category. Product/Service categories are established at the sole discretion of HCDE/CPC. Nothing in this Contract may be construed to imply that Vendor has the exclusive right to provide products and/or services to HCDE and/or HCDE members. During the Term of this Contract, HCDE and HCDE members reserve the right to use all available resources to procure other products and/or services as needed and doing so will not violate any rights of Vendor. Additionally, although multiple contracts may be awarded under the RFP, no HCDE member may compete Delivery Orders with other HCDE/CPC Vendors.

5.39. New Products

New products that meet the specifications detailed in the RFP may be added to this Contract, with prior written approval from HCDE/CPC. Pricing of any new products shall be equivalent to the percentage discount or proposed prices for other similar products. Vendor may replace or add products to the contract if: the replacing products are equal to or superior to the original products offered or discounted in a similar degree or to a greater degree and the products meet the

requirements of the RFP. No products may be added to avoid competitive procurement procedures. HCDE/CPC may reject any proposed additions, without cause, in its sole discretion.

5.40. **No Substitution**

Any Purchase Order or Job Order issued pursuant to this Contract shall conform to the specifications and descriptions identified in this Contract and the RFP. Vendor shall not deliver substitutes without prior written authorization from HCDE or the HCDE member.

5.41. **Penalties**

If the Vendor is unable to provide the product(s) or services at the prices quoted in Vendor's proposal or if Vendor fails to fulfill or abide by the terms and conditions of the Contract, the RFP, or a Supplemental Contract, HCDE or the HCDE member may take the following action(s), in the sole discretion of HCDE or the HCDE member, and Vendor agrees to comply with the chosen action(s):

5.41.1. Insist that the Vendor honor the quoted price(s) specified in Vendor's proposal or the Supplemental Contract, as applicable;

5.41.2. Have the Vendor pay the difference between the Vendor's price and the price of the next acceptable proposal, as determined by HCDE or the HCDE member;

5.41.3. Have the Vendor pay the difference between Vendor's price and the actual purchase price of the product or service on the open market; and/or

5.41.4. Recommend to HCDE Board of Trustees that the Vendor no longer be given the opportunity to submit a proposal to HCDE and/or that this Contract be terminated.

5.42. **Promotion of Contract Marketing Plan**

The marketing of Vendor's company, product, and/or services shall be the sole responsibility of Vendor. HCDE/CPC may only supply Vendor with HCDE members' contact lists that contain name, address, phone numbers, and/or email addresses. Other items geared toward the joint-marketing of CPC and Vendor's company, product, and/or services shall be at HCDE/CPC's sole discretion. Encouraging HCDE members to circumvent this Contract by purchasing directly from Vendor may result in suspension or termination of this Contract. For so long as this Contract is valid and enforceable between the parties, Vendor agrees to display the CPC seal in its marketing collateral materials, such as Vendor's website and related marketing materials. Vendor shall submit all promotional materials to HCDE/CPC and obtain written approval before Vendor finalizes or publishes promotional material bearing the HCDE/CPC or CPC name or seal. Vendor may not release any press release or other publication regarding this Contract or HCDE/CPC unless and until HCDE/CPC first approves the press release or publication in writing.

5.43. **Website Support**

Vendor agrees to cooperate with HCDE/CPC in publicizing contract particulars on the CPC website. Vendor also agrees to work with HCDE/CPC in updating and maintaining current

information on Vendor activities related to the Contract on the CPC website. Vendor agrees to provide an electronic version of its logo for use on the CPC website upon request and provide other information as reasonably requested by HCDE/CPC to help ensure that the CPC website is current and consistently updated.

5.44. **Safety**

Vendor, its subcontractor(s), and their respective employees shall comply fully with all applicable federal, state, and local safety and health laws, ordinances, rules, and regulations in the performance of services under this Contract, including, without limitation, those promulgated by HCDE/CPC, HCDE members, and by the Occupational Safety and Health Administration (“OSHA”). In case of conflict, the most stringent safety requirements shall govern. Vendor shall comply with all other safety guidelines and standards as required by HCDE/CPC or HCDE members. Vendor shall indemnify and hold HCDE and/or the HCDE member harmless from and against all claims, demands, suits, actions, judgments, fines, penalties, and liability of every kind arising from the breach of Vendor’s obligations under this provision.

5.45. **Workforce**

Vendor shall employ only orderly and competent workers, skilled in the performance of the services, if any, which shall be performed under this Contract. Vendor, its employees, subcontractors, and subcontractor’s employees may not use or possess any firearms, alcoholic or other intoxicating beverages, illegal drugs or controlled substances while on the job or on HCDE and HCDE members’ property, nor may such workers be intoxicated or under the influence of alcohol or drugs on HCDE and HCDE members’ property.

5.46. **Supplemental Contracts**

An HCDE member and Vendor may enter into a separate, Supplemental Contract. Any Supplemental Contract developed as a result of this Contract and/or the RFP is exclusively between the HCDE member and Vendor and shall have no effect or impact on HCDE, any other HCDE member, or this Contract. Any Supplemental Contract between Vendor and an HCDE member is exclusively between that specific HCDE member and Vendor and will be subject to immediate cancellation by the HCDE member (without penalty to the HCDE member) if, in the opinion of the HCDE member, the quality, service, and specification requirements, and/or the terms and conditions are not maintained as stated in the Supplemental Contract.

5.47. **Insurance**

Vendor is required to provide HCDE/CPC and/or the HCDE member with copies of certificates of insurance, naming HCDE/CPC and/or the HCDE member as additional insureds for Texas Workers Compensation and General Liability Insurance, **within 14 business days of contract award and prior to the commencement of any work under this Contract.** Certificates of Insurance, name and address of Vendor, the limits of liability, the effective dates of each policy, and policy number shall be delivered to HCDE/CPC and/or the HCDE member prior to commencement of any work under this Contract. The insurance company insuring Vendor shall be licensed in the State of Texas or the state in which the HCDE member is located, and shall be acceptable to HCDE/CPC and/or the HCDE member. Vendor shall give HCDE/CPC or the HCDE member a **minimum of ten (10) days’** notice prior to any modifications or cancellation of said policies of insurance. Vendor shall require all subcontractors performing any work under or

relating to this Contract to maintain coverage as specified below. Vendor shall, at all times during the Term of this Contract, maintain insurance coverage with not less than the type and requirements shown below. If the HCDE member has higher insurance requirements than those listed below, such may be added to the Purchase Order or Job Order. Such insurance is to be provided at the sole cost of the Vendor. These requirements do not establish limits of Vendor's liability.

All policies of insurance shall waive all rights of subrogation against HCDE, HCDE members, and HCDE and HCDE members' officers, employees and agents.

Upon request, certified copies of original insurance policies shall be furnished to HCDE/CPC and/or to HCDE members.

HCDE and the HCDE member, as requested, shall be named as an "additional insured" on insurance policies.

HCDE and the HCDE member reserve the right to require additional insurance should HCDE or the HCDE member deem additional insurance necessary, in their sole discretion.

- Workers Compensation (with waiver of subrogation to HCDE and the HCDE member) Employer's Liability, including all states, U.S. Longshoremen, Harbor Workers and other endorsements.
- Statutory, and Bodily Injury by Accident: \$100,000 each employee. Bodily Injury by Disease: \$500,000, policy limit \$100,000 each employee.
- Commercial General Liability Occurrence Form including, but not limited to, Premises and Operations, Products Liability Broad Form Property Damage, Contractual Liability, Personal and Advertising Injury Liability and where the exposure exists, coverage for watercraft, blasting collapse, and explosions, blowout, cratering and underground damage. \$300,000 each occurrence Limit Bodily Injury and Property Damage combined. \$300,000 Products-Completed Operations Aggregate Limit \$500,000 per Job Aggregate. \$300,000 Personal and Advertising Injury Limit.
- Automobile Liability Coverage: \$300,000 Combined Liability Limits Bodily Injury and Property Damage Combined.

5.48. Participation in CPC

Vendor acknowledges and agrees that continued participation in the CPC cooperative purchasing program is subject to HCDE/CPC's sole discretion and that Vendor may be removed from the CPC program at any time, with or without cause, in HCDE/CPC's sole discretion. All work resulting from this Contract must cease immediately after completion of the final accepted Purchase Order or Job Order. Nothing in this Contract or in any other communication between HCDE/CPC and Vendor may be construed as a guarantee that HCDE/CPC or HCDE members will submit any Purchase Order or Job Orders to Vendor at any time.

5.49. No Agency or Endorsements

It is the intention of the parties to this Contract that Vendor is independent of HCDE and HCDE members, is an independent contractor, and is not an employee, agent, joint venturer, or partner of HCDE or any HCDE member. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer or partner, between HCDE and Vendor, any HCDE member and Vendor, HCDE and any of Vendor's agents, or any HCDE member and any of Vendor's agents. Vendor has no power or authority to assume or create any obligation or responsibility on behalf of HCDE or any HCDE member, and HCDE and HCE members have no power or authority to assume or create any obligation or responsibility on behalf of Vendor. This Contract shall not be construed to create or imply any partnership, agency, or joint venture, nor shall it be construed or deemed an endorsement of a specific company or product. Vendor agrees that HCDE and HCDE members have no responsibility for any conduct of any of Vendor's employees, agents, representatives, contractors, or subcontractors.

5.50. **Equal Opportunity**

It is the policy of HCDE not to discriminate on the basis of race, color, national origin, gender, limited English proficiency or handicapping conditions in its programs. Vendor agrees not to discriminate against any employee or applicant for employment to be employed in the performance of this Contract, with respect to hire, tenure, terms, conditions and privileges of employment, or a matter directly or indirectly related to employment, because of age (except where based on a bona fide occupational qualification), sex (except where based on a bona fide occupational qualification) or race, color, religion, national origin, or ancestry. Vendor further agrees that every subcontract entered into for the performance of this Contract shall contain a provision requiring non-discrimination in employment herein specified, binding upon each subcontractor. Breach of this covenant may be regarded as a material breach of the Contract.

5.51. **Force Majeure**

Neither HCDE, any HCDE member, or Vendor shall be deemed to have breached any provision of this Contract as a result of any delay, failure in performance, or interruption of service resulting directly or indirectly from acts of God, network failures, acts of civil or military authorities, civil disturbances, wars, energy crises, fires, transportation contingencies, interruptions in third-party telecommunications or Internet equipment or service, other catastrophes, or any other occurrences which are reasonably beyond HCDE, any HCDE member, or Vendor's control.

HCDE, HCDE members, and Vendor are required to use due caution and preventive measures to protect against the effects of force majeure, and the burden of proving that a force majeure event has occurred shall rest on the party seeking relief under this provision. The party seeking relief due to force majeure is required to promptly notify the other parties in writing, citing the details of the force majeure event and relief sought, and shall resume performance immediately after the obstacles to performance caused by a force majeure event have been removed, provided the Contract has not been terminated. Delay or failure of performance, by either party to this Contract, caused solely by a force majeure event, shall be excused for the period of delay caused solely by the force majeure event. HCDE, HCDE members, and Vendor shall not have any claim for damages against any other party resulting from delays caused solely by force majeure. Notwithstanding any other provision of this Contract, in the event the Vendor's performance of its obligations under this Contract is delayed or stopped by a force majeure event, HCDE shall have

the option to terminate this Contract. This section shall not be interpreted as to limit or otherwise modify any of HCDE's or HCDE members' contractual, legal, or equitable rights.

5.52. **Severability**

In the event any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

5.53. **Waiver**

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term hereof shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver, alteration, or modification of any of the provisions of this Contract shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

5.54. **Entire Agreement**

The Contract, the RFP, Vendor's proposal submitted in response to the RFP, the attached and incorporated attachments, addendum, and/or exhibits, if any, and the Supplemental Contract, if any, contain the entire agreement of the parties relative to the purpose(s) of the Contract and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Contract. In the event of a conflict between this Contract and the RFP or Vendor's proposal submitted in response to the RFP, this Contract shall control. In the event of a conflict between the RFP and Vendor's proposal submitted in response to the RFP, the RFP shall control. This Contract supersedes any conflicting terms and conditions on any Purchase Order and/ Job Orders, invoices, checks, order acknowledgements, forms, purchase orders, or similar commercial documents relating hereto and which may be issued by Vendor after the Effective Date of this Contract.

In addition to this Contract, a Supplemental Contract between Vendor and the HCDE member may be established to further detail the terms and conditions of the HCDE member's specific project. In the event of a conflict between this Contract and the Supplemental Contract, as to HCDE, this Contract shall prevail. In the event of a conflict between this Contract and the Supplemental Contract, as to the HCDE member, the Supplemental Contract shall prevail unless the Supplemental Contract states otherwise.

5.55. **Interpretation**

Vendor agrees that the normal rules of construction that require that any ambiguities in this Contract are to be construed against the drafter shall not be employed in the interpretation of this Contract.

5.56. **Notice**

Any notice provided under the terms of this Contract by the parties to any other shall be in writing and shall be given by hand-delivery or by certified or registered mail, return receipt requested. Notice shall be sufficient if made or addressed to the party at the address listed in the signature

line of this Contract. Notice shall be deemed effective upon receipt. Each party may change the address at which notice may be sent to that party by giving notice of such change to the other party by certified mail, return receipt requested.

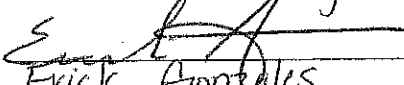
5.57. Captions

The captions herein are for convenience and identification purposes only, are not an integral part hereof, and are not to be considered in the interpretation of any part hereof.

5.58. Contract Acceptance and Signatures

The undersigned Vendor hereby proposes and agrees to furnish products and/or services in strict compliance with the terms, specifications, and conditions of the RFP, this Contract, and Vendor's proposal. The undersigned further certifies that he or she is an officer of the company and has authority to negotiate and contract for the company named below and meets/agrees with all of the terms and conditions of this Contract and the RFP.

Company Name Tri-Lam Roofing & Waterproofing, Inc
 Address 915 W. Enok Ave.
 City/State/Zip Everman, TX 76140
 Telephone No. 817-483-9914
 Fax No. 817-483-0669
 E-mail Address trilamerick@sbcglobal.net

Authorized Signature 
 Printed Name Erick Gonzalez

Position With Company Project Manager
 Sales Representative Erick Gonzalez
 E-mail Address trilamerick@sbcglobal.net
 Website URL www.trilamroofing.com

Accepted by HCDE

Term of Contract 1/15/13 2/26/13 to 1/14/15

Unless otherwise stated, this Contract is for a period of two (2) years with an option to renew annually for an additional three (3) years if agreed to by HCDE and Vendor. Vendor shall honor all CPC Administrative Fees for any sales resulting from this Contract whether Vendor is awarded a renewal or not.

HCDE Authorized Signature  Date 2/26/13

Printed Name: Jesus Amezcua, Assistant Superintend of Business Services

Contract No.: 12/054PB-13

