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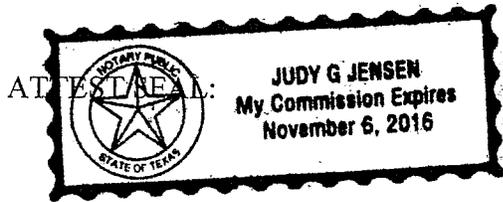
- A. Scope of Services
- B. Fee Schedules
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- F. Drug Policy Compliance Declaration

- C. Parts Incorporated

All of the above-described sections and exhibits are incorporated into this Agreement. In the event that the terms and the body of this Agreement conflict with the Exhibits of this Agreement, the terms of the body of this Agreement shall control.

D. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.



By: Judy Jensen
Name: Judy Jensen
Title: Notary

MCGRUFF, SEIBELS & WILLIAMS
OF TEXAS, INC.

By: [Signature]
Name: JOHNNY FONTENOT
Title: EXECUTIVE VP
Tax ID No. 76-0505291

ATTEST/SEAL:

[Signature]
City Secretary

CITY OF HOUSTON, TEXAS

Signed by: [Signature]
Mayor Brenda L. Murphy

APPROVED:

[Signature]
Director, Administration &
Regulatory Affairs Department

COUNTERSIGNED BY:

[Signature]
City Controller Jenard Polk

APPROVED:

[Signature]
City Purchasing Agent

APPROVED AS TO FORM:

[Signature]
Sr. Assistant City Attorney
L.D. File No. 0371400103001

DATE COUNTERSIGNED:

8-19-14

II. DEFINITIONS

As used in this Agreement, the following terms have the meanings set out below:

"Agreement" means this contract between the Parties, including all exhibits and any written amendments authorized by City Council and Broker.

"Broker" is defined in the preamble of this Agreement and includes its successors, assigns or contracted MWBE participant.

"City" is defined in the preamble of this Agreement and includes its successors and assigns, Houston Center for Literacy, Houston Area Library Automated Network, and any other entities created pursuant to interlocal agreements.

"Countersignature Date" means the date shown as the date countersigned on the signature page of this Agreement.

"Director" means the Director of the Administration & Regulatory Affairs Department, or the person he or she designates.

"Documents" mean notes, manuals, notebooks, plans, computations, databases, tabulations, exhibits, software, reports, underlying data, charts, analyses, maps, letters, models, forms, photographs, the original tracings of all drawings and plans, and other work products (and any modifications or improvements to them) that Broker prepares or provides under this Agreement.

"Notice to Proceed," means a written communication from the Director to Broker instructing Broker to begin performance.

"Parties" mean all the entities set out in the Preamble who are bound by this Agreement.

III. DUTIES OF BROKER

A. Scope of Services

In consideration of the payments specified in this Agreement, Broker shall provide all labor, material, and supervision necessary to perform the services described in Exhibit "A."

B. Coordinate Performance

Broker shall coordinate its performance with the Director and other persons that the Director designates. Broker shall promptly inform the Director and other person(s) of all significant events relating to the performance of this Agreement.

C. Reports

Broker shall submit all reports and progress updates required by the Director.

D. Schedule of Performance

Broker's services shall commence upon the date specified in a written Notice to Proceed from the Director, and shall be diligently performed thereafter, in accordance with the terms of this Agreement.

E. Prompt Payment of Subcontractors

Broker shall make timely payments to all persons and entities supplying labor, materials, or equipment for the performance of this Agreement. BROKER SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF BROKER'S FAILURE TO MAKE THESE PAYMENTS. Broker shall submit disputes relating to payment of MWBE subcontractors to mediation in the same manner as any other disputes under the MWBE subcontract if directed to do so by the Director of the City of Houston Office of Business Opportunity.

F. Insurance

Broker shall maintain in effect certain insurance coverage, which is described as follows:

- (1) Risks and Limits of Liability. Broker shall maintain the following coverages and limits of liability:

<u>(Coverage)</u>	<u>(Limit of Liability)</u>
Workers' Compensation	Statutory for Workers' Compensation
Employer's Liability	Bodily Injury by accident \$100,000 (each accident) Bodily Injury by Disease \$100,000 (policy limit) Bodily Injury by Disease \$100,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Bodily Injury and Property Damage, Combined Limits of \$500,000 each Occurrence and \$1,000,000 aggregate
Automobile Liability Insurance (for vehicles Broker uses in performing under this Agreement, including Employer's Owned, Non- Owned and Hired Auto Coverage)	\$1,000,000 combined single limit per occurrence
Professional Liability Coverage	\$1,000,000 combined single limit per occurrence

Defense costs are excluded from the face amount of the policy.
Aggregate Limits are per 12-month policy period
unless otherwise indicated.

- (2) Insurance in Full Force. Broker shall provide and maintain the above insurance in full force and effect at all times during the Agreement term and any extensions thereto.
- (3) Form of Certificates. The Director may approve the form of the Certificates of Insurance and the required endorsements, but nothing the Director does or fails to do relieves Broker from its duties to provide the required coverage under this

Agreement. The Director's actions or inactions do not waive the City's rights under this Agreement.

- (4) Issuers of Policies. The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or have an A.M. Best's rating of at least B+ and an A.M. Best's Financial Size Category of Class VI or better, according to the most current edition A.M. Best's Key Rating Guide, Property-Casualty United States.
- (5) Insured Parties. Each policy, except those for Workers' Compensation, Employer's Liability, and Professional Liability, must provide a separate endorsement naming the City (and its officers, agents, and employees), as a client of Broker, as an Additional Insured on the original policy and all renewals or replacements during the term of the Agreement.
- (6) Deductibles. Broker shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.
- (7) Cancellation. **BROKER MUST GIVE 30 DAYS' ADVANCE WRITTEN NOTICE TO THE CITY BEFORE ANY POLICY IS CANCELED, MATERIALLY CHANGED, OR NONRENEWED.** Within the 30 day period, Broker shall provide other suitable policies in lieu of those about to be canceled, materially changed, or nonrenewed so as to maintain in effect the required coverage. The acceptance of delivery by the Director of any Certificates of Insurance evidencing the insurance coverages and limits required in the Agreement does not constitute approval or agreement by the City that the

insurance requirements of this Agreement have been met or that the insurance policies evidenced by the Certificates are in compliance with the requirements of this Agreement.

- (8) Subrogation. Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.
- (9) Endorsement of Primary Insurance. All insurance coverages provided herein, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.
- (10) Liability for Premium. Broker shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- (11) Subcontractors. Broker shall require all subcontractors to carry insurance naming the City as an additional insured and meeting all of the above requirements except amount. The amount must be commensurate with the amount of the subcontract, but in no case less than \$500,000 per occurrence. Broker shall provide copies of insurance certificates to the Director.
- (12) Proof of Insurance.
 - (a) Before commencing services hereunder, Broker shall furnish the City with Certificates of Insurance information on Form Number HOU2 and the required endorsements.

(b) Broker shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Broker does not comply with this requirement, the Director, at his or her sole discretion, may

- (1) immediately suspend Broker from any further performance under this Agreement and begin procedures to terminate for default, or
- (2) purchase the required insurance with City funds and deduct the cost of the premiums from amounts due to Broker under this Agreement.

The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

(13) Other Insurance. If requested by the Director, Broker shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Broker's operations under this Agreement.

G. **RELEASE**

BROKER AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

H. INDEMNIFICATION

BROKER AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) BROKER'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', BROKERS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, "BROKER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;**
- (2) THE CITY'S AND BROKER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER BROKER IS IMMUNE FROM LIABILITY OR NOT; AND**
- (3) THE CITY'S AND BROKER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER BROKER IS IMMUNE FROM LIABILITY OR NOT.**

BROKER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. BROKER'S INDEMNIFICATION IS LIMITED TO

\$1,000,000 PER OCCURRENCE. BROKER SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

I. RELEASE AND INDEMNIFICATION, (COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT)

BROKER AGREES TO AND SHALL RELEASE AND DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY BY ANY PARTY, INCLUDING BROKER, ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS BROKER FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. BROKER SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED.

BROKER SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT. WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, BROKER SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE

ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND BROKER SHALL REFUND THE PURCHASE PRICE.

J. **INDEMNIFICATION PROCEDURES**

(1) **Notice of Claims.** If the City or Broker receives notice of any claim or circumstances, which could give, rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

- (a) a description of the indemnification event in reasonable detail,
- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30-day period, it does not waive any right to indemnification except to the extent that Broker is prejudiced, suffers loss, or incurs expense because of the delay.

(2) **Defense of Claims**

(a) **Assumption of Defense.** Broker may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Broker shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Broker must advise the City as to whether or not it will defend the claim. If Broker does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

(b) Continued Participation. If Broker elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Broker may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Broker does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

K. Warranties

Broker's performance shall conform to the professional standards prevailing in Harris County, Texas with respect to the scope, quality, due diligence, and care of the services and products Broker provides under this Agreement.

L. Copyrights and Patents

Broker warrants that it has title to all software sold or used by the City pursuant to this Agreement and that it has full right to license all software licensed hereunder.

M. Confidentiality (Mutual Nondisclosure)

1. In order for Broker or City personnel to perform the obligations under this Agreement, it may become necessary for either party to receive or have access to specifications, designs, plans, drawings, software, data prototypes, or other technical or business information of the other party that either existed before performance of work or was subsequently developed independent of the parties' performance of contract obligations ("Background Information"), which is considered proprietary or confidential by the other party. In addition, information developed in connection with the performance of this Agreement ("Delivered Information"),

which is provided under this Agreement is proprietary and confidential. All Background Information and all Delivered Information are collectively referred to in this Section as "Information".

2. The party to whom Information is disclosed, shall:
 - (a) hold the Information in confidence and protect it in accordance with the security regulations by which it protects its own proprietary or confidential information;
 - (b) restrict disclosure of the Information solely to those employees with a need to know; and
 - (c) advise those employees and agents of their obligations with respect to the Information.

3. The party to whom Information is disclosed shall have no obligation to preserve the proprietary nature of any Information that:

- (a) was previously known to it free and clear of any obligation to keep it confidential;
- (b) is disclosed to third parties by the disclosing party without restriction;
- (c) is or becomes publicly available by other than unauthorized disclosure;
- (d) is independently developed by it;
- (e) is disclosed in response to requests made under the Texas Public Information Act, an administrative or regulatory body order, or a court order. However, the party ordered to disclose the Information shall (i) give the disclosing party of the Information or software prompt written notice of all such requests, and (ii) cooperate with the disclosing party's efforts to obtain a protective order protecting the Information or software from disclosure; or

- (f) is a necessary part of the insurance marketing process required under this Agreement.

4. Neither party shall be liable for the inadvertent or accidental disclosure of Information, if the disclosure occurs despite the exercise of a reasonable degree of care, which is at least as great as the care the party normally takes to preserve its own proprietary information of a similar nature.

5. All Information owned by Broker or its suppliers and furnished to the City under this Agreement is the property of Broker or the supplier, and unless otherwise expressly provided in the applicable Order, the City shall:

- (a) use Information only to install, operate, or maintain the product(s) for which originally furnished;
- (b) use Information only for the City's internal business purposes;
- (c) not reproduce or copy Information except as authorized under this Agreement unless the parties otherwise agree in writing;
- (d) not use the Information to develop other software;
- (e) return or destroy the Information and any copies when no longer needed or permitted for use with the product for which initially furnished; and
- (f) not remove Information from the United States.

6. Unless otherwise required by law or regulation, upon request, the receiving party shall return to the furnishing party all Background Information received in tangible form that is not part of the Delivered Information.

N. Use of Work Products

(1) The City may use all notes, plans, computations, databases, tabulations, exhibits, photographs, reports, underlying data and other work products (collectively, the "Documents") that Broker prepares or obtains under this Agreement.

(2) Broker warrants that it owns the copyright to the Documents.

(3) Broker shall deliver the original Documents to the Director on request. Within five working days after this Agreement terminates, Broker shall deliver to the Director the original Documents, and all other files and materials Broker produces or gathers during its performance under this Agreement. However, Broker can make a copy of original Documents if necessary for documentation purposes.

O. Licenses and Permits

Broker shall obtain, maintain, and pay for all licenses, permits, and certificates including all professional licenses required by any statute, ordinance, rule, or regulation. Broker shall immediately notify the Director of any suspension, revocation, or other detrimental action against his or her license.

P. Compliance with Laws

Broker shall comply with all applicable state and federal laws and regulations and the City Charter and Code of Ordinances.

Q. Compliance with Equal Opportunity Ordinance

Broker shall comply with the City's Equal Employment Opportunity Ordinance as set out in Exhibit "C".

R. MWBE Compliance

Broker shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Broker shall make good faith efforts to award subcontracts or supply agreements in at least 15% of the value of this Agreement to MWBEs. Broker acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Office of Business Opportunity ("OBO") and will comply with them.

S. Conflicts of Interest

If an actual or potential conflict arises between the City's interests and the interests of other clients Broker represents, Broker shall immediately notify the Director by fax transmission or telephone. If the Director consents to Broker's continued representation of the other clients, he or she shall notify Broker in writing. If the Director does not issue written consent within 3 business days after receipt of Broker's notice, Broker shall immediately terminate its representation of the other client whose interests are or may be in conflict with those of the City.

T. Pay or Play

The requirements and terms of the City of Houston Pay or Play program, as set out in Executive Order 1-7, as revised from time to time, are incorporated into this Agreement for all purposes. Broker has reviewed Executive Order No. 1-7-Revised and shall comply with its terms and conditions.

U. Drug Abuse Detection and Deterrence

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Broker shall comply with all the requirements

and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

(2) Before the City signs this Agreement, Broker shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

- (a) a copy of its drug-free workplace policy,
- (b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "D," together with a written designation of all safety impact positions and,
- (c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "E."

If Broker files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "F." Broker shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement. The first 6-month period begins to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Broker begins work under this Agreement.

(3) Broker also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Broker's employee work force.

(4) Broker shall require that its subcontractors comply with the Executive Order, and Broker shall secure and maintain the required documents for City inspection.

IV. DUTIES OF CITY

A. Payment Terms

The City shall pay and Broker shall accept the fees for Basic Services and Additional Services at the rates set forth in the Fee Schedule attached hereto as Exhibit "B". The hourly rates for various job classifications for the Additional Services, as listed in Exhibit "B", shall remain unchanged throughout the entire term of the Agreement, including renewals. The fees must only be paid from Allocated Funds, as provided below.

B. Method of Payment

1) Basic Services Fees.

- i. City shall pay Broker a flat annual service fee for Basic Services rendered by Broker in accordance with Exhibit "B" to this Agreement, payable semiannually, on the basis of valid invoices submitted semiannually by the Broker and approved by the Director, showing the tasks performed and the amount Broker requests for payment. Payment to Broker shall be made by the City within 30 days from receipt and approval of such an invoice by the Director.
- ii. In the event Broker receives commission(s) from one or more insurance companies and/or intermediaries for the placement of insurance policies for the City (a "Commission"), the City shall pay Broker the flat annual service fee for insurance placement reduced by the amount of such Commission.

2) Additional Services Fees

- i. If the City requests any Additional Services, Broker shall provide the Director with a written estimate of the fees it will charge to provide such services. Upon

written approval of the Director and allocation of City funds therefor, Broker shall proceed with the Additional Services. Broker shall bill the City at the job classification rates or hourly rates for Additional Services in accordance with the Fee Schedule set out in Exhibit "B".

ii. Broker shall request payment for Additional Services by submitting an invoice to the City in the month following the performance of corresponding services. Invoices shall include an itemization justifying the fees charged for each task. The Additional Services fees shall be paid by the City on or about 30 days after receipt of a valid invoice submitted by Broker and approved by the Director.

C. Limit of Appropriation

(1) The City's duty to pay money to Broker under this Agreement is limited in its entirety by the provisions of this Section.

(2) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated **\$122,250.00** to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies:

(3) The City makes a Supplemental Allocation by issuing to Broker a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance of City Council.

“NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This supplemental allocation has been charged to such appropriation.

\$ _____”

(4) The Original Allocation plus all supplemental allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Agreement in excess of the Allocated Funds. Broker must assure itself that sufficient allocations have been made to pay for services it provides. If Allocated Funds are exhausted, Broker’s only remedy is suspension or termination of its performance under this Agreement, and it has no other remedy in law or in equity against the City and no right to damages of any kind.

D. Suspension of Performance – City’s Rights

The Director may suspend Broker's performance under this Agreement, with or without cause, by notifying Broker in writing. Broker shall resume work when directed to do so by the Director. The parties may negotiate and mutually agree in writing to a plan to reduce Broker's stand-by costs during the suspension period. The City shall not grant any compensation or extension of time under this Section if the suspension results from non-compliance of Broker or its subcontractors with any requirement of this Agreement.

E. Access to Data

The City shall, to the extent permitted by law, allow Broker to access and make copies of documents in the possession or control of the City or available to it that are reasonably necessary for Broker to perform under this Agreement.

The City does not, however, represent that all existing conditions are fully documented, nor is the City obligated to develop new documentation for Broker's use.

V. TERM AND TERMINATION

A. Contract Term

This Agreement is effective on September 1, 2014 and remains in effect for three years, unless sooner terminated under this Agreement (“Initial Term”).

B. Renewals

If the Director, at his or her sole discretion, makes a written request for renewal to Broker at least 30 days before expiration of the then-current term and if sufficient funds are allocated, then, upon expiration of the Initial Term, this Agreement is renewed for two successive one-year terms each upon the same terms and conditions.

C. Notice to Proceed

Broker shall begin performance under this Agreement on the date specified in a Notice to Proceed from the Director.

D. Termination for Convenience by City

The Director may terminate this Agreement at any time by giving 30 days written notice to Broker. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Broker shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Broker shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. The City shall then pay the fees to Broker for services actually performed, but not already paid for, in the same manner as prescribed in Section IV.B., unless the fees exceed the allocated funds remaining under this Agreement.

TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE BROKER'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. BROKER WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

E. Termination for Cause - City's Termination with Opportunity to Cure

If Broker defaults under this Agreement, the Director may either terminate this Agreement or allow Broker to cure the default as provided below. The City's right to terminate this Agreement for Broker's default is cumulative of all rights and remedies, which exist now or in the future. Default by Broker occurs if:

- (1) Broker fails to perform any of its duties under this Agreement;
- (2) Broker becomes insolvent;
- (3) all or a substantial part of Broker's assets are assigned for the benefit of its creditors; or

(4) a receiver or trustee is appointed for Broker.

If a default occurs, the Director may, but is not obligated to, deliver a written notice to Broker describing the default and the termination date. The Director, at his or her sole option, may extend the termination date to a later date. If the Director allows Broker to cure the default and Broker does so to the Director's satisfaction before the termination date, then the termination is ineffective. If Broker does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

To effect final termination, the Director must notify Broker in writing. After receiving the notice, Broker shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement, and promptly cancel all orders or subcontracts chargeable to this Agreement.

F. Effects of City's Termination

Upon receipt of notice of final termination from the Director, Broker shall, unless the notice directs otherwise, immediately discontinue all services in connection with this Agreement, and promptly cancel all orders or subcontracts chargeable to this Agreement and refund any unearned advance payments to the City.

VI. MISCELLANEOUS

A. Independent Contractor

Broker shall perform its obligations under this Agreement as an independent contractor and not as an employee of the City.

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this

Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Broker. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires, interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Broker, riots, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Broker to extra Reimbursable Expenses or payment.

2. This relief is not applicable unless the affected party does the following:
 - (a) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and
 - (b) provides the other party with prompt written notice of the cause and its anticipated effect.

3. The Director will review claims that a Force Majeure that directly impacts the City or Broker has occurred and render a written decision within 14 days.

4. The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.

5. If the Force Majeure continues for more than 10 days from the date performance is affected, the Director may terminate this Agreement by giving 7 days' written notice to Broker. This termination is not a default or breach of this Agreement. **BROKER WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

6. Broker is not relieved from performing its obligations under this Agreement due to a strike or work slowdown of its employees. Broker shall employ only fully trained and qualified personnel during a strike.

C. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

D. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

E. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and Broker. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

F. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

Venue for any litigation relating to this Agreement is Harris County, Texas.

G. Notices

All notices to either party to the Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, Airborne Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in Section I of this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

H. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

I. Inspections and Audits

City representatives may perform, or have performed, (1) audits of Broker's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Broker shall keep its books and records available for this purpose for at least three years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

J. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Broker shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Broker's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

K. Publicity

Broker shall make no announcement or release of information concerning this Agreement unless the release has been submitted to and approved, in writing, by the Director.

L. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Broker's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

M. Successors and Assigns

This Agreement binds and benefits the Parties and their legal successors and permitted assigns; however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City.

N. Business Structure and Assignments

Broker shall not assign this Agreement at law or otherwise or dispose of all or substantially all of its assets without the Director's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in §9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Broker shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

Broker shall not delegate any portion of its performance under this Agreement without the Director's prior written consent.

O. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

P. Broker Debt

IF BROKER, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT BROKER HAS INCURRED A DEBT, HE SHALL IMMEDIATELY NOTIFY BROKER IN WRITING. IF BROKER DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN

AMOUNT EQUAL TO THE DEBT FROM ANY PAYMENTS OWED TO BROKER UNDER THIS AGREEMENT, AND BROKER WAIVES ANY RECOURSE THEREFORE.

BROKER SHALL FILE A NEW AFFIDAVIT OF OWNERSHIP, USING THE FORM DESIGNATED BY CITY, BETWEEN FEBRUARY 1 AND MARCH 1 OF EVERY YEAR DURING THE TERM OF THIS AGREEMENT.

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EXHIBIT "A"

SCOPE OF SERVICES

A. BASIC SERVICES

Broker shall provide consulting/advisory services related to insurance matters to the City. Broker shall advise and consult with the Director on identifying the City's exposure to risk and provide options, including but not limited to avoidance, prevention, reduction, retention, transference and risk financing alternatives to mitigate risk and meet the City's obligations within financially acceptable parameters to the City.

1) Insurance Marketing

(a) General. Broker shall assist the City in marketing and obtaining all Insurance and Bonds for the City, including but not limited to all types of property, liability, miscellaneous casualty, fidelity, surety and notary public bonds, as well as excess workers' compensation, as requested by the Director. The City reserves the right to enter into separate broker of record contracts for certain insurance programs.

(b) Marketing Services. Upon the request of the Director, Broker shall provide the following marketing services:

1. Meet with Director to develop marketing strategies, goals and timetable to identify potential underwriting markets for specific lines of Insurance and Bonds;
2. Maintain a direct relationship with domestic and global markets, including but not limited to, London, European and Bermuda markets;

3. Secure domestic and world markets including London, European and Bermuda markets for solicitation of the City's Insurance & Bonds;
4. Meet with lead underwriters regarding the structure of the insurance program prior to insurance solicitation;
5. Perform risk exposure survey of operations and activities to assist in defining, developing and organizing underwriting criteria necessary to complete a market submission package that accurately describes the City as an insurable risk to procure coverage;
6. Inform the City and assist in the development of necessary information to include in market submission packages to obtain competitive quotes for Insurance and Bonds;
7. Monitor and analyze the financial stability of prospective domestic and international markets to ascertain underwriter solvency, and report changes that affect underwriter solvency to Director;
8. Solicit competitively and negotiate underwriting quotations for the required coverage from various qualified insurance markets, including but not limited to domestic, London, European and Bermuda markets on behalf of the City and other associated entities;
9. Provide periodic property insurance marketing status reports;
10. Provide the City a written summary of worldwide market solicitation, comparison analysis and an evaluation of underwriter responses and coverage placement recommendations;

11. Develop broad specially tailored manuscript policy forms when appropriate for marketing services, as determined by the Director;
12. Review underwriting proposals and provide a recommendation for placement of Insurance and Bonds that are the most favorable to the City and associated entities in a form acceptable to the Director;
13. Facilitate underwriting quotes from legally established self-insurance pools in the State of Texas, upon request;
14. Coordinate the direct placement and binding of Insurance and Bonds;
15. Provide Broker marketing resources to maintain all Insurance and Bonds without lapse in coverage;
16. Develop and implement a long-term marketing plan;
17. Service Insurance policies and Bonds, including but not limited to issuance of binders and processing of changes, endorsements, premium billings and carrier remittance;
18. Develop natural catastrophic analytics modeling.
 - a. Utilize analytics and other appropriate tools to determine the appropriate limits and retentions
 - b. Evaluate all factors affecting property and casualty insurance procurements, including flood zones, probable maximum loss, surveys and market trend analysis.
 - c. Utilize natural catastrophe analytics modeling in the negotiation of Property Insurance.

(c) Preparing Specifications. Broker shall assist the Director in the preparation of detailed coverage specifications of Insurance and Bonds upon written request by the Director, and at the Director's direction.

(d) Solicitation of Insurance. Upon the request of the Director, Broker shall notify an adequate broad representation of domestic and/or international insurance carriers meeting criteria established by the City's specifications for Insurance and Bond coverage. The adequacy of broad representation of domestic and/or international insurance carriers will be determined by the Director and the City Attorney based upon information provided by Broker and legal requirements. Broker shall coordinate its action with the City's actions in preparation and publication of bid or proposal solicitations. All such acts must be in the best interest of the City and in accordance with applicable laws, including but not limited to Chapter 252, TX. LOCAL GOVERNMENT CODE. Broker shall provide all available information reasonably requested by any proposer or the Director as to the proposal specifications prepared and publicized in accordance with this subsection.

(e) Evaluating Proposals. Upon receipt of proposals for insurance policies or programs by the Director or Broker, Broker shall assist the Director in evaluating such proposals. This shall include, but not be limited to assessing whether such bids or proposals cover the risks enumerated in the City's specifications and whether the insurance carriers submitting such proposals meet the criteria established in accordance with the specifications. Broker shall assist with the negotiations regarding coverage, insurance program structure, pricing and other related terms and conditions. Upon

request, Broker shall schedule joint meetings with proposers and the Director to assist in evaluation of proposals.

(f) Placement of Insurance and Bonds. Broker shall request that insurance carriers issue, sign, execute and deliver all policies of insurance within 120 days from approval by City Council or within a time frame acceptable to the Director. Broker understands that the terms and conditions of such proposed policies must be reviewed and approved by the Director and City Attorney prior to being submitted to City Council for award. Broker shall assist in the presentation of any such proposed policies or related matters to City Council and agrees to attend any meeting deemed necessary by the Director regarding such matters.

(g) Recommendations. Broker shall provide such additional recommendations as the Director may request concerning the marketing of Insurance and Bonds.

2) **Insurance Consulting**

(a) General. Broker shall consult with the Director based on its professional assessment of the City's loss exposures. Broker shall consult with the Director, and with directors of departments whose operations relate to the relevant assessed loss exposures. Broker shall provide expert counsel in various commercial insurance disciplines, including but not limited to property, automobile liability, miscellaneous casualty, fidelity, surety and notary public bonds, as well as excess workers' compensation, as requested by the Director.

(b) Consulting Services. Upon the request of the Director, Broker shall provide the following consulting services, including but not limited to:

1. Analyze and make recommendations regarding the City's risk and loss exposure;
2. Review, analyze and interpret insurance policies and bonds to update and enhance coverage.
3. Advise the City regarding "self-insurance" of any given loss exposure and advise as to appropriate retention amounts for any "self-insured" loss exposure;
4. Review insurance policies and/or bonds for areas that have been or are scheduled to be annexed by the City and provide recommendations as to whether the City should cancel, continue in force, or supplement existing Insurance and Bonds;
5. Develop broad specially tailored manuscript policy forms when appropriate;
6. Clarify insurance coverage language in understandable terms;
7. Develop professional insurance recommendations;
8. Research and respond to insurance inquiries;
9. Attend meetings and Council sessions when required, which may include minimal notice of such meetings;
10. Provide insurance related information requested by City officials;
11. Make recommendations for insurance requirements and indemnity clauses or other risk related provisions or issues in major contracts, agreements and in the City's Code of Ordinances, as requested;
12. Advise on the use of traditional insurance placements;

13. Recommend alternatives to commercial insurance as necessary;
14. Assist in the development of risk financing alternatives;
15. Perform reviews of coverage/policy and bonds for compliance with City related contracts;
16. Evaluate current trends and innovations in risk management and the insurance marketplace;
17. Assist in the development of "Request for Proposals" for insurance and risk management services for City related contracts;
18. Assist in the development of risk management manuals, bulletins, and various communications to City departments;
19. Prepare and issue all Public Notary bonds required by the City, meeting all legal requirements;
20. Advise City of requirements to comply with Federal Emergency Management Agency (FEMA) obligations;
21. Advise the City of new legislation affecting the City's commercial insurance programs;
22. Make recommendations for implementation of legislation affecting the City's business practices.
23. Consult with and advise the Director on options for marketing the City's Excess Workers' Compensation Insurance coverage and, upon request of the Director, market such coverage;
24. Assist in direct negotiation and drafting of loss settlements;

25. Perform an annual minimum of eight (8) Property Insurance replacement cost appraisals and/or cost estimates on designated City facilities listed on Attachment to Exhibit "A" as mutually agreed upon by Director and Broker;
26. Advise on loss control matters.
27. Facilitate the delivery of written analysis of insurance carrier loss control recommendations to include but not limited to:
 - (i) a particular fire suppression system and
 - (ii) plans for optional fire protection system designs or construction methods that will mitigate exposure to risk.
28. Provide professional counsel on any other insurance related consulting subject matter related to this Agreement.
29. Assist in the development of budget forecasts for the City's commercial insurance programs.
 - (c) Consultations with Legal Department. Upon the request of the Director, Broker shall consult with the City's Legal Department regarding various risk management, insurance, and bond related issues. Broker shall provide professional advice of the City's exposure to risk within major contracts and agreements.
 - (d) Criteria for Insurance Companies. Broker shall assist the Director in establishing criteria for evaluating the capabilities of insurance carriers to meet the City's coverage requirements. The criteria shall include standards for financial strength, underwriting, management and processing of claims, loss control and any other relevant functions.

During the term of this Agreement, commitment of Broker described above to the City includes continuing exposure review, monitoring risk management programs, and assisting Insurance Management personnel of the City with their day-to-day operations and activities. The Director and Broker shall attend monthly meetings (more frequently, if determined to be necessary by the Director) to review Broker's services and the status of outstanding matters. Broker shall develop a plan to resolve outstanding matters in a timeframe acceptable to the Director.

3) **Risk Management**

a) Account Annual Review. Broker agrees to perform and present to the Director, an Annual Account Review and report that will address:

1. Current/updated descriptions including construction, occupancy, protection and exposure data of all City facilities, operations and activities provided and maintained by the City;
2. Current exposures to loss and any changes or other developments anticipated (internal or external) that might have a significant impact on risk management needs;
3. Insurance Coverage Review;
4. Developing data to establish record keeping for triangulations of future loss data and recovery of historical data;
5. Large, outstanding (otherwise significant) losses;
6. Available risk financing alternatives;

7. Appropriateness and timeliness of all existing services and service procedures;
8. Preliminary strategy and timetable for marketing or other major activities anticipated for the coming year;
9. Market security review of all insurance carriers providing Insurance and Bonds to the City and other related entities;
10. Any other account review topic requested by the Director related to services provided under this Agreement.

2) Annual Service Plan. In addition to the Annual Account Review, Broker shall prepare and present to the Director, an Annual Service Plan which shall include, but not be limited to:

- a) Critique each existing service and determine whether any additional services, or changes in existing services will be required during the coming year;
- b) Discuss the City's operations and determine whether any changes are anticipated that will significantly alter existing exposures to loss;
- c) Discuss changes in policy form that affect the availability of coverage for the City's exposure to risk;
- d) Assist the City in developing risk management objectives and determine best practices to achieve objectives;
- e) Discuss the state of the insurance domestic and international marketplace and agree upon renewal strategy and timetable for renewal of insurance coverages expiring during the coming year;
- f) Evaluate the adequacy and appropriateness of our remuneration;

g) Any other topics requested by the Director related to the annual service plan to be provided under this Agreement.

3) Annual Stewardship Report. Broker shall prepare and present to the Director an Annual Stewardship Report to include the Annual Account Review report and the Annual Service Plan report which evaluates services provided to the City by Broker. Such report shall review the City's risk management costs, losses, significant activities, problems, remedies, recommendations and achievements for the past year (if appropriate), current year and future years.

License Requirements. Broker agrees to maintain a Local Recording Agent who is licensed by the State Board of Insurance in accordance with the Texas Insurance Code (or any equivalent license as may be provided for by any succeeding statute, rule, regulations, or order by governmental body with jurisdiction) at all times during the term of this Contract. In the event such license expires or is cancelled, suspended, or revoked, Broker shall notify the City within twenty-four (24) hours of receipt by Broker of any hearing involving the suspension, revocation, or renewal of license, with such notice to the City to contain the time, date and place of such hearing and a reasonably detailed explanation of the subject matter of the hearing (including, if applicable, particular charges against Broker).

B. ADDITIONAL SERVICES

1) Claims Audit Services

Broker shall perform the following services upon written request of the Director:

(a) Property and Casualty. Audit claim actions to evaluate claim practices, procedures, and timeliness of investigations, inspections, claim payments and adequacy of reserves.

- (b) Workers' Compensation. Conduct claim audits, review practices and procedures for compliance with applicable laws and program guidelines.
- (c) Services. Services may include, but are not limited to the following:
1. Review and make recommendations regarding the self-administration of claims;
 2. Coordinate reporting of claims to excess carriers;
 3. Participate in in-house training;
 4. Provide new ideas and programs for claim handling and resolution;
 5. Facilitate communications between insurance carriers and staff personnel;
 6. Meet with City claims managers to review performance and address current and anticipated claims issues.

2) Insurance Certificate Review Services

Broker shall perform the following services upon written request of the Director:

(a) Departmental Review. Review various insurance certificates and endorsements for a City department to verify compliance with City standards, contract requirements and/or indemnification provisions.

(b) Service Review. Provide the following for each insurance certificate reviewed:

1. Identify areas where certificate and/or insurance coverages does not meet City standards, contract requirements and/or conflict with indemnification provisions;

2. Provide rating from AM Best Key Rating Guide, Property-Casualty, United States for each insurance carrier identified as providing coverage on the certificate;
3. Indicate if each carrier identified as providing coverage is licensed to do business in Texas, and that such license is for the type of insurance coverage provided on the certificate;
4. Determine coverage and limits provided on certificate are in compliance with requirements of contract, including indemnification provisions;
5. Determine "owner" indicated on insurance certificate is same as entity required to provide proof of insurance under related City contract;
6. Verify cancellation provision in policy and on certificate of insurance are as provided by contract or as directed by City Attorney;

(c) Verification. For each certificate reviewed, Broker shall send the requesting City department a facsimile to verify completion of the initial certificate of insurance review within one business day, from receipt of the certificate of insurance. The initial facsimile will provide notice of deficiencies or accuracy of certificate of insurance.

(d) Quarterly Activity Reports. Broker shall provide quarterly activity reports to the Director, indicating the number of certificates reviewed for each City department together with Broker's invoice for such services. The invoice shall be prepared to provide detailed activity by City Department and the fees due for such activity and such additional information as may be requested by the Director.

3) **Appraisal services**

Broker shall perform the following services upon written request of the Director:

1. Perform Property Insurance replacement cost appraisals and/or cost estimates on City facilities as designated by the Director.

ATTACHMENT TO EXHIBIT "A"

LIST OF BUILDINGS FOR INSURANCE REPLACEMENT COST APPRAISALS / VALUATIONS

City of Houston

List of Buildings for Insurance Replacement Cost Appraisals / Valuations

These appraisals will be performed over three (3) years, eight (8) per year.

Department	Location / Description	Address	2014-15 Building Value	Year Built	Occupancy	Square Feet	Type Construction	Sprinklers	100-Yr Flood Plain
Fire	Logistical Ctr, Body & Radio Shop (FMD)	1205 Dart St.	5,095,005	1987	Maint. Bldg.	39,720	class s, metal siding and concrete walls; metal roof	No	
General Services	Property Disposal (ARA)	2511 Broad St.	1,238,014	1965	Warehouse/Office	25,060	Wood, steel joists	No	
HAS, EFD	HAS Administration Office, W440	11602 Aerospace Drive, Bldg. 510	1,891,342	1994	Administrative Office	21,700	Structural Steel, Brick, Concrete, Glass	Yes	
HAS, HOU	Admin. Bldg., FAAPDC/US Customs, S262 (SR-2)	8800 Paul B. Koonce	3,279,162	1989	Administration Building	16,050	Structural Steel, Masonry	No	
HAS, IAH	Cargo Bldg. H, Continental Airlines, W432	3230 Paller Rd.	14,848,184	2005	Cargo Facility	110,036	Tilt Wall Construction, Glass	Yes	
HAS, IAH	Physical Plant Maintenance (PPM), E262	4500 Will Clayton Pkwy.	2,188,626	1992	Supply Warehouse	35,025	Structural Steel, Masonry	No	
Fire	Fire Station #20	6902 Navigation	2,933,570	1968	Fire Station	12,364	brick on block; slab on ground; built up roof; hvac/plumbing	No	
Health	Acres Homes MSC (FY12 Renovation)	6719 W. Montgomery	10,229,363	1991	Multi Service Center	50,534	Brick Veneer, Structural Steel, Masonry	No	
Police	Academy, Academic	17000 Aldine Westfield Rd.	4,673,778	1979	Office	18,048	Structural Steel, Masonry	No	
Police	Gerson Building	33 Artesian Place	8,400,020	1961	Police	67,991	Structural Steel, Masonry	Partial	Yes
Police	Southeast Command Station	8300 McKay Rd.	30,262,663	1990	Police Station	178,573	Structural Steel, Masonry	Partial	Yes
Library	Library, Carnegie Regional	1050 Quitman St.	5,107,948	1982	Library	19,620	Concrete/Plaster, Glass and Structural Steel	No	
Library	Library, Looscan Branch	2510 Willowick, Dr.	5,675,497	2007	Library	21,175	Brick and Structural Steel	Yes	
Parks, General	Crestmont CC, Recreation Center	5100 Selinsky Rd.	1,621,571	1972	Community Center	5,291	Concrete Block, Slab Frame	No	
Parks, General	Emancipation CC, Recreation Center	3018 Dowling St.	2,162,094	1939	Community Center	10,348	Concrete Block, Slab, Frame	No	
Parks, General	Fonde CC, Recreation Center	110 Sabine St.	4,324,188	1976	Community Center	23,896	Wood, Steel, Brick Veneer	No	Yes
Parks, General	Gragg, Administration Building	2999 S. Wayside Dr.	16,215,705	1938	Office	36,000	Wood, Granite Exterior	No	
Parks, General	Candlelight CC, Recreation Center	1520 Candlelight Ln.	1,081,047	1959	Community Center	6,294	Brick, Slab, Frame	No	
Parks, Heritage Society	Gallery of Texas History	1100 Bagby St.	1,621,571	1986	Museum	6,000	Steel, Metal	No	
PWE, Water, Svc Ctrs	Office/Warehouse/Radio Dispatch (A)	2700 Dalton St.	7,697,840	1970	Office	68,094	FR, JM, MFR, FRC	Yes	
PWE, PDS-CE	Houston Permitting Center	1002 Washington Ave.	32,054,000	1920	Office Building	188,610	Reinforced Concrete Shell; Major Renovation Completed 2011	Yes	
PWE, RMD	Water Customer Service, Annex Bldg.	4200-A Leeland St.	7,628,869	2003	Office	12,545	FR, JM, MFR, FRC	Yes	
PWE, RMD	Water Customer Service, Main Bldg.	4200 Leeland St.	3,661,585	1981	Office	52,839	FR, JM, MFR, FRC	Yes	
Solid Waste	SW Collections/Maint.Bldgs.	11500 S. Post Oak Rd.	5,205,673	1989	Office/Shop	46,300	Concrete Block, Metal Roof	Yes	

City of Houston
Additional List of Building Types for Insurance Replacement Cost Appraisals / Valuations
 Eight (8) of these locations will be selected for each optional contract year (years 4 and 5).

Department	Location / Description	Address	2014-15 Building Value	Year Built	Occupancy	Square Feet	Type Construction	Sprinklers	100-Yr Flood Plain
Fire	Logistical Ctr, Ambulance (FMD)	1205 Dart St.	4,697,294	1987	Admin/Maint. Bldgs	36,300	slab on ground; metal siding; poured concrete exterior walls; metal roof; hvac; plumbing	No	
Fire	Logistical Ctr, Vehicle Storage / Res. Fleet (FMD)	1205 Dart St.	2,634,081	1980	Warehouse	25,000	slab on ground; metal siding; poured concrete exterior walls; metal roof; unit heat; plumbing	No	
Police	North Police Vehicle Service Bldg. (FMD)	9455 W. Montgomery Rd.	2,791,352	1996	Auto Repair	19,742	Structural Steel, Masonry	Yes	
Fire	Fire Station #105	14014 W. Lake Houston	2,969,419	2008	Fire Station	6,749	2-bay; Plaster on studs & block, slab on grade, metal roof. HVAC/plumbing/electric	No	
Fire	Fire Station #42	8675 Clinton Dr.	2,487,867	1979	Fire Station	11,496	class c; 4 bay; brick on block; slab on ground; built up roof;	No	
Fire	Fire Station #86	14300 Briar Forest	4,055,404	2006	Fire Station	11,980	class c; 4-bay; brick on block; built up roof	No	
Fire	VJFTA, Gym	8030 Braniff Ave.	2,178,639	1967	Gym	14,957	class b; brick on block; built up roof	No	
Fire	VJFTA, Simulator Bldg.	8030 Braniff Ave.	3,008,014	2008	Admin. & Training	10,816	class b; brick on block; built up roof	No	
Police	Academy, Gymnasium	17000 Aldine Westfield Rd.	3,080,873	1979	Gym	25,209	Structural Steel, Masonry	Yes	
Police	Central Police Station	61 Riesner St.	31,971,619	1950	Police Station	106,663	Masonry; Stucco	No	Yes
Library	Library, Robinson/Westchase Branch	3223 Wilcrest Dr.	3,009,741	1991	Library	18,094	Brick and Concrete	No	
Parks, General	Monte Beach CC. Recreation Center (Renovation)	915 Northwood	2,702,618	1966	Community Center	4,156	Concrete Block	No	
Parks, Special GC	Memorial GC, Clubhouse	1001 East Memorial Loop	2,490,648	1980	Clubhouse	3,200	Wood, Stucco	No	
PWE, Water, Svc Ctrs	Water Prod. Office Bldg.	105 Sabine	2,377,070	1994	Office	10,000	Structural Steel, Masonry	No	Yes
Solid Waste	NE Service Center/SVC/Main/Welding	5617 Neches St.	7,642,992	1980	Office/Shop	64,052	Concrete Block	Yes	Yes
Solid Waste	SW Transfer Station	5904 SW Freeway	5,256,350	2001	Office	24,454	Steel	Yes	Yes

EXHIBIT "B"

FEE SCHEDULES

The fees provided herein include all expenses, including but not limited to travel, domestic and international, if any, incurred by Broker in performance of this Agreement.

A. BASIC SERVICES

The City agrees to pay and Broker agrees to accept a flat annual service fee, payable semiannually, for those services provided as Basic Services described under Exhibit A, as follows:

Year 1	Year 2	Year 3	<u>1st Option Year</u> Year 4	<u>2nd Option Year</u> Year 5	Total 5 years
\$75,700.00	\$75,700.00	\$75,700.00	\$75,700.00	\$75,700.00	\$378,500.00

However, in the event Broker receives commission(s) from one or more insurance companies and/or intermediaries for the placement of insurance policies for the City (a "Commission") as stated in Section IV.B.1)ii. of the Agreement, the City shall pay Broker in accordance with the provision of that Section IV.B.1)ii. of the Agreement.

B. ADDITIONAL SERVICES

Fees for Additional Services are in addition to the fees for Basic Services. The City and Broker shall establish a schedule for performance of such Additional Services that is agreeable to both parties. The City agrees to pay and Broker agrees to accept the following fees for the respective Additional Services:

1) Audit Property / Casualty Claim actions
to evaluate claim practices, procedures, and

Professional Staff Hourly Rate:
\$125.00/hour

EXHIBIT "C"

EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.

2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.

3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, as amended and superseded, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246, as amended and superseded, and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or City's Contract Administrator(s) for purposes of investigation to ascertain and effect compliance with this program.

5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, as amended and superseded, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.

6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, as amended and superseded, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, as amended and superseded, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.

7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended and superseded, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

EXHIBIT "D"

DRUG POLICY COMPLIANCE AGREEMENT

I, JOHNNY FONTENOT EXEC VP as an owner or officer of
(Name) (Print/Type) (Title)
MSW (Contractor)
(Name of Company)

have authority to bind Contractor with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I Contractor that the Contractor is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Contractor that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Contractor that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

7-23-14
Date

JOHNNY FONTENOT
Contractor Name
[Signature]
Signature
EXEC VP
Title

EXHIBIT "G"

DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of _____

(Name) (Print/Type) (Title)

(Contractor) (Name of Company) have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from _____ to _____, 20____.

Initials _____ A written Drug Free Workplace Policy has been implemented and employees notified. The Policy meets the criteria established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Policy).

Initials _____ Written drug testing procedures have been implemented in conformity with the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31. Employees have been notified of such procedures.

Initials _____ Collection/testing has been conducted in compliance with federal Health and Human Services (HHS) guidelines.

Initials _____ Appropriate safety impact positions have been designated for employee positions performing on the City of Houston contract. The number of employees in safety impact positions during this reporting period is _____.

Initials _____ From _____ to _____ the following test has occurred (Start date) (End date)

Table with 4 columns: Random, Reasonable Suspicion, Post Accident, Total. Rows: Number Employees Tested, Number Employees Positive, Percent Employees Positive.

Initials _____ Any employee who tested positive was immediately removed from the City worksite consistent with the Mayor's Policy and Executive Order No. 1-31.

Initials _____ I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

(Date)

(Typed or Printed Name)

(Signature)

(Title)